

Annual Report

For

THE YEAR ENDED

JUNE 30, 1951

L C Smith & Corona Typewriters Inc
Syracuse New York

Return this book on or before the
Latest Date stamped below.

University of Illinois Library

JAN 30 1952

L161—H41

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

FOREIGN SUBSIDIARIES

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England



FACTORIES:

SYRACUSE, N. Y.

GROTON, N. Y.

CORTLAND, N. Y.

AURORA, ILL.

TORONTO, ONTARIO

SELLING BRANCH OFFICES:

Located in 75 cities throughout the U. S. A.

Smith-Corona Products

OFFICE TYPEWRITERS

DE LUXE
STANDARD

PORTABLE TYPEWRITERS

SILENT
STERLING
CLIPPER
SKYRITER

PORTABLE ADDING MACHINES

CASHIERS

VIVID DUPLICATING MACHINES
AND SUPPLIES

RIBBONS, CARBONS, AND SUPPLIES

THE LIBRARY OF THE
OCT 4 - 1951

UNIVERSITY OF ILLINOIS

358.7
Sm615
1950/51

To the Stockholders

HEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc and its subsidiaries as of June 30, 1951, together with a statement of Consolidated Income and Earned Surplus as of that date.

Operations for the year ended June 30, 1951 resulted in a net income of \$1,806,087 or the equivalent of \$5.60 per share on 322,569 shares of common stock outstanding, as compared to \$5.04 per share for the previous year.

These greater earnings were due chiefly to a larger sales volume. Sales for the current fiscal year were approximately \$6,100,000 greater than for the previous fiscal year.

In January, 1951, we introduced a complete new series of office typewriters, in both standard and de luxe models. These machines bring new standards of beauty and operating ease to the field of office typewriters. Of their many new or exclusive features, the Page Gage (which warns the typist when $2\frac{1}{2}$ inches from the bottom of the paper) has received the greatest acclaim.

The very large demand for our products on the part of the U.S. Government—particularly the Armed Services—and defense industries, has taken a large percentage of the output of our manufacturing plants. As a result, we have a considerable backlog of orders from our regular commercial customers, domestic and foreign dealers.

We present the following condensed statement of operations for the years ended June 30, 1951 and June 30, 1950:

	1951	1950
Net Sales	\$31,840,493	\$25,735,922
Cost of Sales	19,025,567	14,919,212
	<hr/>	<hr/>
Gross Profit from Sales	12,814,925	10,816,709
Selling, General and Administrative Expenses	8,732,621	7,744,993
	<hr/>	<hr/>
Net Profit from Operations, before Depreciation	4,082,304	3,071,716
Provision for Depreciation	429,141	346,030
	<hr/>	<hr/>
Net Profit from Operations.	3,653,163	2,725,686
Other Income	113,784	275,564
	<hr/>	<hr/>
	3,766,947	3,001,251
Other Deductions	350,436	375,816
	<hr/>	<hr/>
	3,416,511	2,625,434
Provision for Income and Excess Profits Taxes	1,610,423	999,284
	<hr/>	<hr/>
Net Income for the Year	\$ 1,806,087	\$ 1,626,149
	<hr/> <hr/>	<hr/> <hr/>

(Cents Omitted)

A year ago I reported to you that your Board of Directors had authorized construction of a new addition to our Aurora, Illinois plant. Since that time this addition has been completed and is in full operation. Our production of typewriter ribbons and carbon paper is, therefore, considerably increased.

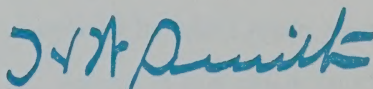
It is with deep regret that we report the death of Mr. Walter Larzelere, who passed away on February 25, 1951; and the untimely and tragic death of Mr. Lewis P. Smith, Jr., which occurred in an automobile accident on July 28, 1951.

Mr. Walter Larzelere was a member of your Board of Directors for approximately seven years. Mr. Larzelere's knowledge of business, his education and background enabled him to render valuable service as a member of the Board.

Mr. Lewis P. Smith, Jr. became associated with your Company as General Counsel on May 1, 1943. He was elected Secretary and a Director on December 3, 1943, and elected a member of the Executive Committee on February 16, 1948. In his association with your Company he was more than his titles imply; no problem was too big or too small for him to give freely of his time and talents.

Throughout the year the management has had the loyal cooperation of officers, managers and employees who have performed their respective tasks with efficiency and fidelity.

Respectfully submitted,



President

September 7, 1951

L C SMITH & CORONA TYPEWRITER

Consolidated Balance

ASSETS

Cash in Banks and on Hand		\$ 1,934,067.65
Canadian and British Government Bonds. . .		93,700.00
Trade Accounts and Notes Receivable	\$ 4,080,996.11	
Less Reserve for Doubtful Accounts	171,070.08	3,909,926.03
Other Accounts Receivable		
Employees	12,198.12	
Others (Less Reserve)	24,433.29	36,631.41
United States Tax Credit Under Unused Excess Profits Credit Carry-Back Provisions of In- ternal Revenue Code (Estimated)		48,000.00
Inventories (At Lower of Cost or Market) . .		8,572,735.66
Total Current Assets (Note 1)		14,595,060.75
Real Estate Contracts Receivable		1,875.12
Investment in Residential Real Estate (Less Depreciation)		17,684.30
Plant and Equipment (At Cost)	11,776,412.27	
Less Reserve for Depreciation	5,341,715.40	6,434,696.87
Patents Subject to Amortization.		7,882.07
Prepaid Expenses and Deferred Charges . . .		275,169.94
Goodwill, Trade-marks and Formulae		947,965.09
		<u>\$22,280,334.14</u>

(See Notes Relating to Financial Statements)

INC AND SUBSIDIARY COMPANIES

Sheet - June 30, 1951

LIABILITIES

Trade and Other Accounts Payable	\$	781,555.64	
Wages, Commissions and Other Compensation		370,630.61	
Notes Payable Maturing April 1, 1970— Payment Due April 1, 1952		300,000.00	
United States Income and Excess Profits Taxes Payable	\$	602,159.76	
United States Income and Excess Profits Taxes Accrued		496,795.33	
		<u>1,098,955.09</u>	
Less United States Treasury Savings Notes		606,560.00	492,395.09
Foreign Income Taxes Payable and Accrued			43,404.00
Other Taxes and Expenses Payable and Accrued			766,675.12
Coupon Book and Inspection Contract Liability			359,141.11
Total Current Liabilities (Note 2)			<u>3,113,801.57</u>
Notes Payable Maturing April 1, 1970, Interest 3%—Payments of \$300,000 Due Annually on April 1, 1953 to April 1, 1970, Inclusive (Note 3)			5,400,000.00
Reserve for Automobile Collision and Branch Office Fire Insurance.			51,705.95
Reserve for Employee Retirement Pensions (Note 4)			247,129.14
Capital Stock—Common No Par—Authorized 350,000 Shares—Issued and Outstanding 322,613 Shares—Less 44 Shares in Treasury.			4,484,990.66
Capital Surplus			583,249.66
Earned Surplus (Accumulated Since May 31, 1934)			8,399,457.16
			<u>\$22,280,334.14</u>

L C SMITH & CORONA TYPEWRITERS

Consolidated Statement of Income and Earned Surplus

Year Ended June 30, 1951

Net Sales (Note 5)	\$31,840,493.11
Cost of Sales	19,025,567.19
Gross Profit from Sales	12,814,925.92
Selling, General and Administrative Expenses	8,732,621.41
Net Profit from Operations, Before Depreciation	4,082,304.51
Provision For Depreciation	429,141.24
Net Profit from Operations	3,653,163.27

Other Income

Cash Discounts Earned	\$ 64,265.22	
Real Estate Rentals	11,937.50	
Profit on Foreign Exchange	13,540.25	
Interest	10,691.26	
Miscellaneous	13,350.05	113,784.28
		<u>3,766,947.55</u>

Other Deductions

Interest	178,303.84	
Provision for Doubtful Accounts—		
Less Recoveries	17,409.32	
Royalties	63,780.89	
Loss from Disposal of Fixed Assets	9,904.93	
Miscellaneous	81,037.43	350,436.41
		<u>3,416,511.14</u>

Provision for Income and Excess Profits Taxes

Foreign	75,279.00	
United States (Note 6)		
Income	\$1,433,281.68	
Excess Profits	149,862.56	
	<u>1,583,144.24</u>	
Less United States Tax Credit		
Under Unused Excess Prof-		
its Credit Carry-Back Pro-		
visions of Internal Revenue		
Code (Estimated)	48,000.00	1,535,144.24
Net Income		<u>1,806,087.90</u>

Consolidated Earned Surplus, July 1, 1950	7,238,499.76
	<u>9,044,587.66</u>
Deduct Dividends Paid on Common Stock	645,130.50
Consolidated Earned Surplus, June 30, 1951	<u>\$ 8,399,457.16</u>

(See Notes Relating to Financial Statements)

Notes Relating to Financial Statements

1. The consolidated balance sheet includes the following amounts representing assets and liabilities of foreign subsidiaries:

Cash	\$141,472.45
Canadian and British Government Bonds	93,700.00
Trade and Other Receivables (Less Reserves)	311,567.34
Inventories	389,514.16
Total Current Assets	936,253.95
Total Current Liabilities	141,251.68
Net Current Assets	795,002.27
Plant and Equipment (Less Depreciation)	28,952.08
Prepaid Expenses and Deferred Charges	4,999.69
NET ASSETS	\$828,954.04

The amount of \$828,954.04 includes \$164,130.83 representing net assets of the English subsidiary and \$664,823.21 representing net assets of the Canadian subsidiary.

Consolidated net income of \$1,806,087.90 for the year ended June 30, 1951 includes \$3,787.19 representing net income of the English subsidiary and \$110,997.73 representing net income of the Canadian subsidiary.

Assets, liabilities and operations of the English subsidiary, except plant and equipment and depreciation, were translated from English pounds to United States dollars for consolidated statement purposes at \$2.80, the official rate of exchange at June 30, 1951 and during the fiscal year. Assets, liabilities and operations of the Canadian subsidiary, except plant and equipment and depreciation, were translated from Canadian dollars to United States dollars at \$.9375, the current rate of exchange at June 30, 1951 which was substantially equal to the average of month-end exchange rates during the fiscal year. Plant and equipment and depreciation were translated at par of exchange or rates in effect when the assets were acquired.

The parent company did not receive any dividends from its English subsidiary but did realize \$67,495.56 (in United States dollars), after foreign exchange loss and Canadian income tax, from a dividend of \$75,000 (in Canadian dollars) paid by its Canadian subsidiary during the fiscal year.

2. A lower court decision against the Company in a patent infringement suit held reasonable royalties were payable by the Company but that it could continue to use the invention which it was claimed the patent covered. The plaintiff has not made any effort to prosecute the accounting and, therefore, a motion to dismiss the case for failure to prosecute has been filed. Any accounting would be limited to the period from March 11, 1947 to July 4, 1950, the date the patent in suit expired. The management feels that ultimately this will not result in any material liability to the Company.
3. The loan agreement dated May 4, 1950 under which the parent company issued its notes payable maturing April 1, 1970 contains a restrictive covenant with respect to the declaration and payment of dividends. The amount of earned surplus available at June 30, 1951 for dividends under that restrictive covenant has been computed to be \$2,990,234.58.
4. Operations for the year ended June 30, 1951 were charged \$836,895.51 representing contributions of the parent company and its domestic subsidiaries to the trustee employee retirement plan adopted as of May 1, 1948. Actuarial computations show that approximately 65% of that amount was allocable to the cost of past service benefits. A lump sum contribution of approximately \$3,638,000 on June 30, 1951 would have fully funded the cost of past service benefits on that date. No provision for such lump sum contribution has been made in the attached financial statements

because all Company contributions are voluntary, although irrevocable after payment. However, it is the Company's intention to fully fund past service by installment payments over a period of years.

Certain employees of the parent company and its domestic subsidiaries could not qualify for the trustee retirement plan because they were over age 65 on May 1, 1948. Those employees were offered the right to retire on pensions computed in accordance with the trustee plan but payable from general Company funds. Computations indicate the balance of \$247,129.14 in the Reserve for Employee Retirement Pensions is sufficient to cover the anticipated net cost of pension payments, after deduction of an amount equal to the estimated reduction in Federal income taxes resulting from such payments, to be made after June 30, 1951 to employees who had retired to that date under the over-age offer. The eventual cost of pension payments to those still eligible to accept the offer to over-age employees cannot be now estimated.

5. Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in selling, general and administrative expense.
6. The parent company and its United States subsidiaries prepare and file their United States income and excess profits tax returns on the basis of a calendar year, whereas the attached financial statements are prepared on the basis of a fiscal year ending June 30th. Therefore, the amount of \$1,583,144.24, shown on the consolidated statement of income and earned surplus as a provision for United States income and excess profits taxes, includes that portion of the taxes reported on returns filed for the calendar year ended December 31, 1950 applicable to net income of the parent company and its United States subsidiaries for the six months ended December 31, 1950, plus estimated taxes on net income for the six months ended June 30, 1951.

Operations of the parent company for the six months ended June 30, 1951 resulted in an unused excess profits credit allocable to that period which may be carried back under provisions of the Internal Revenue Code for the purpose of obtaining a refund of a portion of the parent company's excess profits tax for the six months ended December 31, 1950 included in the amount of \$149,862.56 shown on the income statement. That refund, which is estimated at \$48,000 based on operations for the six months ended June 30, 1951, is subject to operating results of the parent company for the six months ended December 31, 1951.

United States income and excess profits taxes on net income for the six months ended June 30, 1951 were provided for at rates then in effect, and do not include any provision for the proposed increase in corporate taxes for the calendar year 1951 which the Congress of the United States was considering at the time the attached financial statements were prepared.

HURDMAN AND CRANSTOUN

Certified Public Accountants

43 Broad Street

New York 4, N. Y.

To the Board of Directors
L C Smith & Corona Typewriters Inc
Syracuse, New York

We have examined the financial statements of L C Smith & Corona Typewriters Inc and its United States and Canadian subsidiary companies for the fiscal year ended June 30, 1951. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The financial statements of the English subsidiary were examined by other independent public accountants. We have reviewed the report relating to such examination and it is our opinion that accepted accounting procedures have been followed in the statements contained therein and, therefore, we have accepted such statements for the purpose of consolidation as though the examination had been made by us.

In our opinion the accompanying consolidated balance sheet and related consolidated statement of income and earned surplus, together with notes thereto, present fairly the financial position of L C Smith & Corona Typewriters Inc and subsidiary companies at June 30, 1951, and the results of their operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hurdman and Cranstoun

August 27, 1951

L C Smith & Corona Typewriters Inc

OFFICERS

HURLBUT W. SMITH	<i>Chairman of the Board President</i>
ELWYN L. SMITH	<i>Executive Vice-President</i>
CARLETON F. BROWN	<i>Vice-President</i>
WARREN L. HOAGLAND	<i>Vice-President</i>
VICTOR H. DAVIDSON	<i>Vice-President</i>
JAMES B. MCCORMICK	<i>Vice-President</i>
DUNCAN K. VAN CLEEF	<i>Vice-President and Treasurer</i>
GORDON H. SMITH	<i>Secretary</i>
MERCER V. WHITE, JR.	<i>Comptroller and Asst. Treasurer</i>
A. HOWARD PELLENZ	<i>Asst. Treasurer and Asst. Secretary</i>
WALTER L. SMITH	<i>Assistant Treasurer</i>
CHARLES F. PULFER	<i>Asst. Treasurer and Asst. Secretary</i>
LLOYD W. ZAISER	<i>Asst. Treasurer and Asst. Secretary</i>
CLIFFORD D. BOYSEN	<i>Assistant Secretary</i>

EXECUTIVE COMMITTEE—FINANCE COMMITTEE

SAMUEL G. H. TURNER, <i>Chairman</i>	HARRY W. DAVIES, <i>Chairman</i>
HURLBUT W. SMITH	HURLBUT W. SMITH
HARRY W. DAVIES	ELWYN L. SMITH
ELWYN L. SMITH	SAMUEL G. H. TURNER
VICTOR H. DAVIDSON	

DIRECTORS

HURLBUT W. SMITH, <i>Chairman</i>	
CARL L. BAUSCH	ELWYN L. SMITH
CARLETON F. BROWN	GORDON H. SMITH
VICTOR H. DAVIDSON	LEWIS P. SMITH
HARRY W. DAVIES	LOUIS P. SMITH
JAMES B. MCCORMICK	WILBERT A. SMITH
WILLIAM I. MYERS	JAMES F. TOWERS
WILL L. SEELEY	SAMUEL G. H. TURNER

338.7
Sm 615
1949/50

Annual Report

For

THE YEAR ENDED

JUNE 30, 1950

L C Smith & Corona Typewriters Inc
Syracuse New York

Return this book on or before the
Latest Date stamped below.

University of Illinois Library

MAY 15 1960

JUN 30 1962

L161—H41

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

FOREIGN SUBSIDIARIES

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England



FACTORIES:

SYRACUSE, N. Y.

GROTON, N. Y.

CORTLAND, N. Y.

AURORA, ILL.

TORONTO, ONTARIO

SELLING BRANCH OFFICES:

Located in 74 cities throughout the U. S. A.

Smith-Corona Products

OFFICE TYPEWRITERS

SILENT
STANDARD

PORTABLE TYPEWRITERS

SILENT
STERLING
CLIPPER
SKYRITER

PORTABLE ADDING MACHINES

CASHIERS

VIVID DUPLICATING MACHINES
AND SUPPLIES

RIBBONS, CARBONS, AND SUPPLIES

THE LIBRARY OF THE

OCT 4 - 1951

LIBRARY OF THE

388,7
SmG15
1749/50

To the Stockholders

IEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc and its subsidiaries as of June 30, 1950, together with a Statement of Consolidated Income and Earned Surplus as of that date.

Operations for the year ended June 30, 1950 resulted in a net income of \$1,626,149 or the equivalent of \$5.04 per share on 322,569 shares of common stock outstanding, as compared to \$1.73 per share for the previous year.

These greater earnings were the result of economies effected, improved manufacturing methods and a larger sales volume. The latter was due principally to an increased demand for office typewriters and the unprecedented public acceptance of our new model portable typewriters, which were introduced in June 1949.

The financial position of your company was improved by the borrowing of \$6,000,000, payable \$300,000 annually, starting April 1, 1951 and ending April 1, 1971. The proceeds of this loan were used to pay off all the bank loans totaling \$2,000,000, the balance of a previous term loan in the amount of \$2,400,000, and the remaining \$1,600,000 added to working capital. The result of this new financing is reflected in the following comparative balance sheet.

Comparative Consolidated Balance Sheet

(cents omitted)

ASSETS	June 30, 1950	June 30, 1949
Cash in Banks and on Hand	\$ 2,393,880	\$ 947,188
Canadian and British War Bonds	90,840	107,087
Accounts and Notes Receivable (Net)	3,889,077	3,323,261
United States Income Tax Credit		148,000
Inventories	7,309,955	6,959,630
Total Current Assets	13,683,753	11,485,167
Accounts Receivable—Other	17,945	22,662
Real Estate (Less Depreciation)	17,684	18,350
Plant and Equipment (Net)	5,874,811	5,542,187
Patents Subject to Amortization	8,942	4,495
Prepaid Expenses and Deferred Charges	236,125	310,665
Goodwill, Trade Marks and Formulae	947,965	947,965
	<u>\$20,787,226</u>	<u>\$18,331,492</u>
 LIABILITIES		
Notes Payable to Banks	\$	\$ 1,750,000
Accounts Payable—Trade and Other	571,799	732,113
Notes Payable—Other	300,000	300,000
Income Taxes Payable and Accrued	262,854	555,270
Other Items Payable and Accrued	1,017,166	942,128
Coupon Book and Inspection Contract Liability	303,867	308,984
Total Current Liabilities	2,455,687	4,588,497
Notes Payable (Long Term)	5,700,000	2,400,000
Total Liabilities	8,155,687	6,988,497
Other Reserves	51,427	119,609
Reserve for Employee Pensions	273,371	300,872
Capital Stock—Common, No Par	4,484,990	4,484,990
Capital Surplus	583,249	583,249
Earned Surplus	7,238,499	5,854,273
	<u>\$20,787,226</u>	<u>\$18,331,492</u>

We present the following condensed statement of operations for the years ended June 30, 1950 and June 30, 1949:

	1950	1949
Net Sales	\$25,735,922	\$23,454,784
Cost of Sales	14,919,212	14,605,957
Gross Profit from Sales	10,816,709	8,848,827
Selling, General and Administrative Expenses	7,744,993	7,463,226
Net Profit from Operations, before Depreciation	3,071,716	1,385,601
Provision for Depreciation	346,030	333,009
Net Profit from Operations	2,725,686	1,052,591
Other Income	275,564	103,858
	3,001,251	1,156,449
Other Deductions	375,816	253,062
	2,625,434	903,387
Provision for Income Taxes		
United States	943,924	431,670
Foreign	55,360	60,812
	999,284	492,482
Less: Estimated United States Income Tax Credit Under Loss Carry-Back Provisions of Internal Revenue Code		148,000
	999,284	344,482
Net Income for the Year	\$ 1,626,149	\$ 558,904

During the current year we added a fourth model, the Skyriter, to our line of portable typewriters. This new model was placed on the market last January and has been well received. This is the smallest member of the Smith-Corona family, weighs only nine pounds in its case, and occupies less than a quarter cubic foot of space. Yet it has a full sized standard keyboard.

Adding machine business continues satisfactory and on December 9, 1949 we announced that this company had completed arrangements to purchase the tools and the exclusive manufacturing and selling rights of a new ten-key adding machine. This machine, which will be marketed late this year, will provide a desirable supplement to the present full keyboard Smith-Corona adding machine line.

In order to improve manufacturing efficiency and to increase production of typewriter ribbons and carbon papers your Board of Directors authorized construction of a new addition to our Aurora, Illinois plant, and appropriated \$165,659 for this purpose. Construction work is now in progress.

It is with deep regret that we report the death of Mr. Theodore G. Roehm who passed away on September 15, 1949, and the death of Mr. Harvey M. Smith who passed away on October 6, 1949.

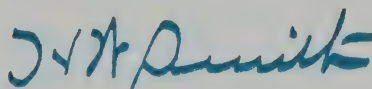
Mr. Roehm was a member of your Board of Directors for approximately six years. He was associated with the Miller-Bryant-Pierce division from 1913 until the time of his death, at which time he was General Manager of that division. During his long association with the executives and directors of this company Mr. Roehm earned their highest respect and admiration through his able conduct of business affairs.

Mr. Harvey M. Smith, son of Monroe C. Smith, one of the founders of L C Smith & Bros. Typewriter Company, became associated with the

company in 1911. Always deeply interested in the welfare of this company, he served faithfully as a member of your Board of Directors for over twenty-five years, and as a member of the Executive Committee since 1943.

I wish to gratefully acknowledge my appreciation of the substantial contribution made by the officers, managers and employees toward this successful year.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. H. Smith". The signature is written in a cursive, flowing style.

President

September 8, 1950

L C SMITH & CORONA TYPEWRITER

Consolidated Balance Sheet

ASSETS

Cash in Banks and on Hand	\$ 2,393,880.78
Dominion of Canada and British War Bonds	90,840.00
Accounts and Notes Receivable—Trade	\$ 4,005,564.05
Less Reserve for Doubtful Accounts	165,426.31
	<u>3,840,137.74</u>
Accounts Receivable—Other (Less Reserve)	48,939.56
Inventories (At Lower of Cost or Market)	<u>7,309,955.15</u>
 Total Current Assets (Note 1)	 13,683,753.23

Non-Current Receivables and Investments

Accounts Receivable—Officers and Employees	10,611.71
Accounts Receivable—Other	4,569.40
Real Estate Contracts Receivable	2,763.44
Investment in Real Estate (Less Depreciation)	17,684.30
	<u>35,628.85</u>
 Plant and Equipment (At Cost)	 10,889,197.28
Less Reserve for Depreciation	5,014,385.51
	<u>5,874,811.77</u>
 Patents Subject to Amortization	 8,942.17
Prepaid Expenses and Deferred Charges	236,125.41
Goodwill, Trade-marks and Formulae	947,965.09
	<u>\$20,787,226.52</u>

(See Notes Relating to Financial Statements)

INC AND SUBSIDIARY COMPANIES

et - June 30, 1950

LIABILITIES

Accounts Payable—Trade and Other	\$ 571,799.77
Notes Payable Maturing April 1, 1970—	
Payment Due April 1, 1951	300,000.00
United States Income Taxes Payable	\$203,782.29
United States Income Taxes Accrued	419,050.50
	<u>622,832.79</u>
<i>Less</i> United States Treasury Savings Notes	400,320.00
	<u>222,512.79</u>
Foreign Income Taxes Payable and Accrued	40,341.62
Other Taxes and Expenses Payable and Accrued	1,017,166.01
Coupon Book and Inspection Contract Liability	303,867.21
	<u>2,455,687.40</u>
Notes Payable Maturing April 1, 1970, Interest 3%	
Payments of \$300,000 Due Annually on April 1, 1952 to April 1, 1970, Inclusive (Note 3)	5,700,000.00
Reserve for Automobile Collision and Branch Office Fire Insurance	51,427.90
Reserve for Employee Retirement Pensions (Note 4)	273,371.14
Capital Stock—Common No Par—Authorized 350,000 Shares—Issued and Outstanding 322,613 Shares—Less 44 Shares in Treasury	4,484,990.66
Capital Surplus	583,249.66
Earned Surplus (Accumulated Since May 31, 1934)	7,238,499.76
	<u><u>\$20,787,226.52</u></u>

L C SMITH & CORONA TYPEWRITERS

Consolidated Statement of Income and Earned Surplus

Year Ended June 30, 1950

Net Sales (Note 5)	\$25,735,922.50
Cost of Sales	<u>14,919,212.76</u>
Gross Profit from Sales	10,816,709.74
Selling, General and Administrative Expenses	<u>7,744,993.27</u>
Net Profit from Operations, Before Depreciation	3,071,716.47
Provision for Depreciation	<u>346,030.31</u>
Net Profit from Operations	<u>2,725,686.16</u>

Other Income

Adjustment of Prior Years' Cost of Sales	\$194,957.86	
Cash Discounts Earned	36,851.10	
Real Estate Rentals	12,575.00	
Miscellaneous	<u>31,180.97</u>	275,564.93
		<u>3,001,251.09</u>

Other Deductions

Interest	134,138.40	
Premium on Retirement of Notes Dated July 15, 1947	42,000.00	
Provision for Doubtful Accounts—Less Recoveries	8,534.91	
Royalties	75,710.84	
Loss on Foreign Exchange	54,210.29	
Miscellaneous	<u>61,222.09</u>	375,816.53
		<u>2,625,434.56</u>

Provision for Income Taxes

United States (Note 6)	943,924.32	
Foreign	<u>55,360.60</u>	999,284.92
NET INCOME		<u>1,626,149.64</u>
Consolidated Earned Surplus, July 1, 1949		<u>5,854,273.87</u>
		<u>7,480,423.51</u>

Deduct Dividends Paid on Common Stock		<u>241,923.75</u>
---	--	-------------------

CONSOLIDATED EARNED SURPLUS,

June 30, 1950	<u>\$ 7,238,499.76</u>
-------------------------	------------------------

(See Notes Relating to Financial Statements)

Notes Relating to Financial Statements

1. The consolidated balance sheet includes the following amounts representing assets and liabilities of foreign subsidiaries translated from foreign currencies to United States dollars at official rates of exchange at June 30, 1950, except fixed assets which were translated at par of exchange or rates at date of acquisition:

Cash	\$148,589.25
Dominion of Canada and British War Bonds	90,840.00
Trade and Other Receivables (Less Reserves)	282,367.27
Inventories	334,322.51
Total Current Assets	856,119.03
Total Current Liabilities	108,044.34
Net Current Assets	748,074.69
Non-Current Receivables	4,572.44
Fixed Assets (Less Depreciation)	31,431.52
Prepaid Expenses and Deferred Charges	6,077.08
NET ASSETS	\$790,155.73

The amount of \$790,155.73 includes \$166,580.97 representing net assets of the English subsidiary and \$623,574.76 representing net assets of the Canadian subsidiary. Consolidated net income of \$1,626,149.64 for the year ended June 30, 1950, includes operations of the English and Canadian subsidiaries translated at official month-end exchange rates, except as to depreciation which was translated at par of exchange or rates in effect when the fixed assets were acquired. Operations of the foreign subsidiaries so translated resulted in a net loss of \$1,880.03 for the English subsidiary and net income of \$102,292.47 for the Canadian subsidiary, both amounts excluding exchange differences arising from the translation of assets, liabilities and operations of the foreign subsidiaries from English pounds sterling and Canadian dollars to United States dollars for financial statement purposes. Such exchange differences are included in the amount of \$54,210.29 shown as loss on foreign exchange on the consolidated statement of income and earned surplus.

The parent company did not receive any dividends from its English subsidiary but did realize \$85,972.85 (in United States dollars), after foreign exchange loss and Canadian income tax, from a dividend of \$100,000 (in Canadian dollars) paid by its Canadian subsidiary during the fiscal year.

2. A lower court decision against the Company in a patent infringement suit held reasonable royalties were payable by the Company but that it could continue to use the invention which it was claimed the patent covered. The patent in suit expired on July 4, 1950 without the plaintiff having made any effort to prosecute the accounting for over two years and, accordingly, a motion to dismiss the case for failure to prosecute was recently filed. The management feels that ultimately this will not result in any material liability to the Company.
3. On May 4, 1950 L C Smith & Corona Typewriters Inc entered into a loan agreement under which it borrowed \$6,000,000 on two notes maturing April 1, 1970, and bearing interest at 3% per annum. Part of the proceeds of this borrowing was used to discharge the \$2,400,000 principal balance of its indebtedness on its then outstanding 3¼% notes dated July 15, 1947, originally maturing July 15, 1957, and the remainder of the proceeds was used for working capital. The May 4, 1950 loan agreement contains a restrictive covenant with respect to the declaration and payment of dividends on capital stock of the Company. The amount of earned surplus available at June 30, 1950 for dividends under that restrictive covenant has been computed to be \$1,856,105.06.
4. Operations for the year ended June 30, 1950 were charged \$465,639.28 representing contributions of the parent company and its domestic subsidiaries to the trusted employee retirement plan adopted as of May 1, 1948. Actuarial computations show

that approximately 46% of that amount was allocable to the cost of past service benefits under the installment method of funding being followed. If continued, this method will completely fund such cost in about twenty-five and one-half years. A lump sum contribution of approximately \$4,125,000 on June 30, 1950 would have fully funded the cost of past service benefits on that date.

Certain employees of the parent company and its domestic subsidiaries could not qualify for the trustee retirement plan because they were over age 65 on May 1, 1948. Those employees were offered the right to retire on pensions computed in accordance with the trustee plan but payable from general company funds. Computations indicate the balance of \$273,371.14 in the Reserve for Employee Retirement Pensions is sufficient to cover the anticipated net cost of pension payments, after deduction of an amount equal to the estimated reduction in Federal income taxes resulting from such payments, to be made after June 30, 1950 to employees who had retired to that date under the over-age offer. The eventual cost of pension payments to those still eligible to accept the offer to over-age employees cannot be now estimated.

5. Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in selling, general and administrative expense.
6. The parent company and its United States subsidiaries prepare and file their United States income tax returns on the basis of a calendar year ending December 31st. The amount of \$943,924.32 shown on the consolidated statement of income and earned surplus as a provision for United States income taxes includes \$524,873.82 representing that portion of the taxes reported on returns filed for the calendar year ended December 31, 1949 applicable to net income of the parent company and its United States subsidiaries for the six months ended December 31, 1949, plus \$419,050.50 representing estimated taxes on net income for the six months ended June 30, 1950. United States income taxes on net income for the six months ended June 30, 1950 were provided for at rates then in effect, and do not include any provision for the proposed increase in corporate taxes for the calendar year 1950 which the Congress of the United States was considering at the time the attached financial statements were prepared.
7. Contributions by the parent company and its United States subsidiaries in excess of \$500 to or on behalf of any one donee during the fiscal year are reported below in accordance with the requirements of Section 34 of the General Corporation Law of the State of New York:

Community Chest—Groton, New York	\$ 1,000.00
Community Chest—Syracuse, New York	18,500.00
Red Cross—Syracuse, New York	3,500.00
Syracuse University Building Fund	8,356.25
United Jewish Appeal	1,000.00
Community Chest—Aurora, Illinois	800.00

HURDMAN AND CRANSTOUN

Certified Public Accountants

43 Broad Street

New York 4, N. Y.

To the Board of Directors

L C Smith & Corona Typewriters Inc

Syracuse, New York

We have examined the financial statements of L C Smith & Corona Typewriters Inc and its United States and Canadian subsidiary companies for the fiscal year ended June 30, 1950. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The financial statements of the English subsidiary were examined by other independent public accountants. We have reviewed the report relating to such examination and it is our opinion that accepted accounting procedures have been followed in the statements contained therein and, therefore, we have accepted such statements for the purpose of consolidation as though the examination had been made by us.

In our opinion the accompanying consolidated balance sheet and related consolidated statement of income and earned surplus, together with notes thereto, present fairly the financial position of L C Smith & Corona Typewriters Inc and subsidiary companies at June 30, 1950, and the results of their operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hurdman and Cranstoun

August 29, 1950

L C Smith & Corona Typewriters Inc

OFFICERS

HURLBUT W. SMITH	<i>Chairman of the Board</i>
	<i>President</i>
ELWYN L. SMITH	<i>Executive Vice-President</i>
CARLETON F. BROWN	<i>Vice-President</i>
WARREN L. HOAGLAND	<i>Vice-President</i>
VICTOR H. DAVIDSON	<i>Vice-President</i>
JAMES B. McCORMICK	<i>Vice-President</i>
DUNCAN K. VAN CLEEF	<i>Vice-President and Treasurer</i>
LEWIS P. SMITH, JR.	<i>Secretary</i>
MERCER V. WHITE, JR.	<i>Comptroller and Asst. Treasurer</i>
A. HOWARD PELLENZ	<i>Assistant Comptroller</i>
	<i>Asst. Treasurer and Asst. Secretary</i>
WALTER L. SMITH	<i>Assistant Treasurer</i>
CHARLES F. PULFER	<i>Asst. Treasurer and Asst. Secretary</i>
LOYD W. ZAISER	<i>Asst. Treasurer and Asst. Secretary</i>
CLIFFORD D. BOYSEN	<i>Assistant Secretary</i>

EXECUTIVE COMMITTEE—FINANCE COMMITTEE

SAMUEL G. H. TURNER, <i>Chairman</i>	HARRY W. DAVIES, <i>Chairman</i>
HURLBUT W. SMITH	HURLBUT W. SMITH
HARRY W. DAVIES	ELWYN L. SMITH
ELWYN L. SMITH	SAMUEL G. H. TURNER
LEWIS P. SMITH, JR.	
VICTOR H. DAVIDSON	
HARVEY M. SMITH*	

DIRECTORS

HURLBUT W. SMITH, <i>Chairman</i>	
CARLETON F. BROWN	ELWYN L. SMITH
VICTOR H. DAVIDSON	HARVEY M. SMITH*
HARRY W. DAVIES	LEWIS P. SMITH
THEODORE S. KENYON	LEWIS P. SMITH, JR.
WALTER D. LARZELERE	LOUIS P. SMITH
JAMES B. McCORMICK	WILBERT A. SMITH
THEODORE G. ROEHM*	JAMES F. TOWERS
WILL L. SEELEY	SAMUEL G. H. TURNER

* DECEASED

338.7
Sm 615
1945/46

Annual Report

For

THE YEAR ENDED

JUNE 30, 1946

L C Smith & Corona Typewriters Inc
Syracuse New York

Return this book on or before the
Latest Date stamped below.

University of Illinois Library

DEC 30 1962

L161—H41

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

FOREIGN SUBSIDIARIES

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England



FACTORIES:

SYRACUSE, N. Y.

GROTON, N. Y.

CORTLAND, N. Y.

AURORA, ILL.

TORONTO, ONTARIO

SELLING BRANCH OFFICES:

Located in 68 cities throughout the U. S. A.

Smith-Corona Products

OFFICE TYPEWRITERS

SILENT
STANDARD

PORTABLE TYPEWRITERS

SILENT
STERLING
CLIPPER

PORTABLE ADDING MACHINES

CASHIERS

VIVID DUPLICATING MACHINES
AND SUPPLIES

RIBBONS, CARBONS, AND SUPPLIES

THE LIBRARY OF THE

OCT 4 - 1951

53817
SINGLES
1945/46

To the Stockholders

HEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its subsidiaries as of June 30, 1946, together with a Consolidated Statement of Income and Earned Surplus as of that date.

Operations for the year ended June 30, 1946 resulted in a transfer to Earned Surplus of \$868,132.29 after provision for Federal income taxes. This, when compared with the net income of \$641,842.30 for the previous year, shows an increase in earnings of approximately \$226,200.

The net income for the fiscal year ended June 30, 1946 was equivalent to \$2.69 a share on 322,569 shares of common stock outstanding, as compared with earnings for the previous year of \$1.81 per share on 322,569 shares of common stock after paying preferred dividends amounting to \$58,132.50.

The current position at the close of the three years ended June 30, 1946 is set forth as follows:

	<i>Current Assets</i>	<i>Current Liabilities</i>	<i>Net Current Assets</i>	<i>Ratio</i>
June 30, 1946	\$8,203,599	\$2,839,844	\$5,363,755	2.89 to 1
June 30, 1945	9,180,095	2,762,396	6,417,699	3.32 to 1
June 30, 1944	9,933,918	3,393,383	6,540,535	2.93 to 1

During the fiscal year under review there was expended the sum of \$1,195,514 for the enlargement of our manufacturing facilities chiefly at Syracuse and Groton. This involved new building construction, as well as the purchase of new machinery and new equipment. Construction of the new addition to our Groton Plant was recently completed and it is expected that the new addition to our Syracuse Plant will be completed and in operation during the ensuing fiscal year.

We have received from the U. S. Government official clearance that no excessive war profits were received by us during the year 1945. Therefore the accompanying Profit and Loss statement for the fiscal year ended June 30, 1946 is not subject to any adjustment due to renegotiation of war contracts. Sales made to the U. S. Government after December 31, 1945 are not subject to renegotiation.


We present the following condensed statement of operations for the years ended June 30, 1946 and June 30, 1945:

	1946	1945
Net Sales.....	\$14,858,805.67	\$15,006,250.18
Cost of Sales.....	<u>8,573,559.42</u>	<u>9,858,973.52</u>
Gross Profit from Sales.....	6,285,246.25	5,147,276.66
Selling, General and Administrative Expenses.....	<u>4,723,988.95</u>	<u>3,991,819.34</u>
Net Profit from Operations, before Depreciation and Amortization.	1,561,257.30	1,155,457.32
Provision for Depreciation and Amortization.....	<u>169,034.38</u>	<u>158,113.66</u>
Net Profit from Operations. . . .	1,392,222.92	997,343.66
Other Income.....	<u>168,499.31</u>	<u>147,316.06</u>
	1,560,722.23	1,144,659.72
Other Deductions.....	<u>97,403.77</u>	<u>111,947.01</u>
	1,463,318.46	1,032,712.71
<i>Provision for Income and Excess Profits Taxes:</i>		
<i>United States:</i>		
Normal and Surtax.....	529,421.39	406,878.27
Excess Profits Tax.....	15,135.47	93,862.62
Foreign.....	<u>50,629.31</u>	<u>2,463.87</u>
	595,186.17	503,204.76
	868,132.29	529,507.95
<i>Add:</i>		
Adjustments of Income and Excess Profits Taxes of Prior Years.....	12,334.35
Reversion of Reserve for Post-war Contingencies.....	<u>.....</u>	<u>100,000.00</u>
Balance Transferred to Earned Surplus.....	<u>\$ 868,132.29</u>	<u>\$ 641,842.30</u>

If you will refer to the Consolidated Balance Sheet published herein you will note that Cash on Hand and in Banks is recorded at \$2,423,989, whereas one year ago this was \$4,126,712. The greater part of this decrease of approximately \$1,700,000 is accounted for by the increase in Plant and new Manufacturing Equipment, upon which I have previously commented. The remainder of this decrease is due to a substantial increase in Accounts and Notes Receivable as well as Inventories.

Once again it is my privilege to express my sincere appreciation to the more than 4,000 employees for the efficient and loyal services rendered to the Company by them.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "W. H. Smith". The signature is fluid and cursive, with a large, looping "S" at the end.

President

September 13, 1946

L C SMITH & CORONA TYPEWRITER

Consolidated Balance

ASSETS

Cash in Banks and on Hand		\$ 2,423,989.11
United States Treasury and War Bonds (Market or Redeemable Value \$247,670)		238,200.00
Dominion of Canada and British War Bonds		108,087.50
Accounts and Notes Receivable—Trade.	\$ 2,252,255.92	
<i>Less</i> Reserve for Doubtful Accounts	<u>70,674.19</u>	2,181,581.73
Accounts Receivable—Other (Less Reserve).		9,550.03
Inventories (At Lower of Cost or Market)		<u>3,242,190.97</u>
Total Current Assets (Note 1).		8,203,599.34
<i>Non Current Receivables and Investments</i>		
<i>Accounts Receivable</i>		
Officers and Employees	9,568.45	
Other (Less Reserve)	4,451.66	
Real Estate Contracts Receivable	14,364.61	
Investment in Real Estate (Less Depreci- ation)	19,416.37	
Sundry Investments	<u>4,928.93</u>	52,730.02
Plant and Equipment (Note 2)	7,064,660.73	
<i>Less</i> Reserve for Depreciation	<u>4,044,444.33</u>	3,020,216.40
Patents Subject to Amortization		6,436.26
Cash Deposited with Trustee for Redemption of Corona Typewriter Company Preferred Stock		110.89
Prepaid Expenses and Deferred Charges		223,729.06
Goodwill, Trade Marks and Formulae		<u>947,965.09</u>
		<u><u>\$12,454,787.06</u></u>

(See Notes Relating to Financial Statements)

S INC AND SUBSIDIARY COMPANIES

Sheet - June 30, 1946

LIABILITIES

Accounts Payable—Trade and Other	\$ 726,758.91
Dividends Payable	162,765.68
L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures, 3%, Due November 1, 1946	175,000.00
United States Income and Excess Profits Taxes Payable . . .	284,272.65
Foreign Income and Excess Profits Taxes Payable and Accrued .	56,926.65
United States Income Taxes Accrued (Note 3).	413,447.28
Other Taxes and Expenses Payable and Accrued.	819,949.14
Coupon Book and Inspection Contract Liability	<u>200,723.91</u>
Total Current Liabilities	2,839,844.22
Ten Year Serial Debentures—Less \$8,000 in Treasury (Note 4) .	692,000.00
Reserve for Redemption of Corona Typewriter Company Pre- ferred Stock.	<u>100.00</u>
Total Liabilities (Note 5)	3,531,944.22
Reserve for Branch Office Fire Insurance	50,167.90
Reserve for Unrealized Losses on Foreign Exchange	68,540.87
Capital Stock—Common, No Par—Authorized 350,000 Shares— Issued and Outstanding 322,613 Shares— Less 44 Shares in Treasury	4,484,990.66
Capital Surplus (Note 6)	583,249.66
Earned Surplus (Accumulated Since May 31, 1934) (Note 10) .	<u>3,735,893.75</u>
	<u><u>\$12,454,787.06</u></u>

L C SMITH & CORONA TYPEWRITERS

Consolidated Statement of Income and Earned Surplus

Year Ended June 30, 1946

Net Sales (Note 7)	\$14,858,805.67
Cost of Sales	<u>8,573,559.42</u>
Gross Profit from Sales	6,285,246.25
Selling, General and Administrative Expenses	<u>4,723,988.95</u>
Net Profit from Operations, Before Depreciation and Amortization	1,561,257.30
Provision for Depreciation and Amortization	<u>169,034.38</u>
Net Profit from Operations	1,392,222.92

Other Income:

Cash Discounts Earned.	\$30,135.41	
Reversion of Reserve for Doubtful Accounts— Net	9,234.33	
Real Estate Rentals	13,503.60	
Foreign Exchange Profit	39,280.60	
Miscellaneous	<u>76,345.37</u>	168,499.31
		<u>1,560,722.23</u>

Other Deductions:

Interest on Funded Debt	27,176.67	
Amortization of Bond Issue Expense	4,916.51	
Royalties	44,247.65	
Miscellaneous	<u>21,062.94</u>	97,403.77
		<u>1,463,318.46</u>

Provision for Income and Excess Profits Taxes
(Estimated) (Note 8)

United States	544,556.86	
Foreign.	<u>50,629.31</u>	595,186.17
Net Income Transferred to Earned Surplus (Note 9)		868,132.29
Consolidated Earned Surplus, July 1, 1945		<u>3,512,891.46</u>

		4,381,023.75
Deduct Dividends Paid and Declared on Common Stock		<u>645,130.00</u>

Consolidated Earned Surplus, June 30, 1946 (Note 10)	<u>\$ 3,735,893.75</u>
---	------------------------

(See Notes Relating to Financial Statements)

Notes Relating to Financial Statements

1. The consolidated balance sheet includes current assets and current liabilities of the English subsidiary in the net amount of \$171,115.65 (translated from English Pounds Sterling at official rate of exchange at June 30, 1946) and of the Canadian subsidiary in the net amount of \$412,429.67 (translated from Canadian dollars at par of exchange established by Dominion of Canada on July 5, 1946—see note 9). Assets of the foreign subsidiaries, other than current assets, are included in the amount of \$23,107.45.
2. The amount shown for plant and equipment represents cost to predecessor corporation and cost to corporation for subsequent acquisitions.
3. Federal Income and Excess Profits Tax Returns of the parent Company have been examined by representatives of the United States Treasury Department for calendar year ended December 31, 1942, and all additional taxes assessed against the Company for that and prior years have been paid. Amounts shown on the balance sheet for United States Income and Excess Profits Taxes payable represent that portion of the taxes shown by returns filed for the year ended December 31, 1945, which was not due and payable until after June 30, 1946. The liability for United States Income Taxes accrued includes the estimated taxes on net income for the six months ended June 30, 1946. These estimates are believed to be fair in view of information available at this date, but the taxes applicable to income for this period cannot be determined finally until after December 31, 1946, when returns will be filed for the year ending at that date.
4. The indenture covering the ten year serial debentures issued November 1, 1940, contains the following covenant: The Corporation will not redeem or purchase any of its preferred stock of any class now or hereafter issued, or declare or pay any dividend (other than dividends in stock of the Corporation now or hereafter authorized) or make any other distribution on its stock of any class now or hereafter issued, or purchase any shares of its common stock of any class now or hereafter issued, if the consolidated net quick assets of the corporation and its subsidiaries shall at the time be less than an amount equal to one hundred and fifty per cent (150%) of the principal amount of the debentures and all other funded debt of the Corporation and its subsidiaries then outstanding, or if the effect of such redemption, purchase, dividend or distribution would be to reduce said consolidated net quick assets below an amount equal to said percentage; provided, however, that the foregoing limitation shall not apply to the declaration and payment of dividends on the 13,023 and 11/11ths shares of preferred stock of the Corporation outstanding at the date of this indenture, or on any preferred stock (entitled to dividends at a rate not in excess of 6% per annum) issued in exchange for or to provide funds for the redemption or retirement of any or all of such shares. The Corporation will not declare or pay any dividend (except dividends in stock of the Corporation now or hereafter authorized) or make any distribution on any of its stock of any class now or hereafter authorized, if the aggregate of such dividend or other distribution and of all other dividends and other distributions declared, paid or made by the Corporation since June 30, 1940, would exceed the sum of (i) the earned surplus of the Corporation accumulated since June 30, 1940, and (ii) three hundred and fifty thousand dollars (\$350,000). (Earned surplus as of June 30, 1940, was \$1,888,099. The ten year serial debentures are payable \$175,000 annually on November 1, 1947 to 1950, inclusive. The interest rate on debentures maturing after November 1, 1946, is 3%.)
5. At June 30, 1946, the Company had additional building facilities under construction at its plant in Syracuse, New York. The cost of completing that building construction is estimated at approximately \$800,000. These construction commitments are not reflected in the attached balance sheet.
6. Consolidated capital surplus remained unchanged at \$583,249.66 during the fiscal year ended June 30, 1946.

7. Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in selling, general and administrative expense.
8. Estimated provision for income and excess profits taxes includes an apportionment of such taxes for the calendar year 1945 to net income for the six months ended December 31, 1945, plus estimated taxes on income for the second half of the fiscal year which ended June 30, 1946. See Note 3.
9. Net income of \$868,132.29, transferred to Earned Surplus at June 30, 1946, includes \$20,912.49 representing net income of the English subsidiary and \$58,848.19 representing net income of the Canadian subsidiary (translated at official rates except as to depreciation). As the Dominion of Canada restored the Canadian dollar to parity with the United States dollar on July 5, 1946, the assets and liabilities of the Canadian subsidiary were translated at par of exchange for consolidated statement purposes at June 30, 1946, instead of at the official exchange rate in effect at June 30, 1946, when the Canadian dollar was at a discount in relation to the United States dollar. The use of par, instead of the June 30, 1946 exchange rate, increased the amounts reported as consolidated net income and Earned Surplus by \$50,502.07, representing restoration of foreign exchange losses absorbed in prior years as a result of translating assets, liabilities and net income of the Canadian subsidiary at less than par in those years.

The Parent Company did not receive any dividends from its Canadian and English subsidiaries during the fiscal year.

10. Consolidated earned surplus of \$3,735,893.75 includes \$129,072.17 representing earned surplus of the Canadian subsidiary and is stated after a deduction of \$17,189.09 representing the deficit in earned surplus of the English subsidiary.

HURDMAN AND CRANSTOUN

Certified Public Accountants

350 Madison Avenue

New York 17, N.Y.

To the Board of Directors,

L C Smith & Corona Typewriters Inc
Syracuse, New York.

We have examined the consolidated balance sheet of L C Smith & Corona Typewriters Inc and subsidiary companies as of June 30, 1946, and the related statement of consolidated income and earned surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence of the Company and its United States and Canadian subsidiaries, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances, except that it was not practicable to confirm receivables from the United States Government, with respect to which we have satisfied ourselves by means of other auditing procedures.

The accounts of the English subsidiary were examined or tested by other independent public accountants. We have reviewed the report relating to such examination and it is our opinion that accepted accounting procedures have been followed in the statements contained therein and we have, therefore, accepted such statements for the purpose of consolidation as though the examination had been made by us.

In our opinion the accompanying consolidated balance sheet and related statement of consolidated income and earned surplus, together with notes thereto, present fairly the position of L C Smith & Corona Typewriters Inc and its subsidiaries at June 30, 1946, and the results of operations for the fiscal year in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HURDMAN AND CRANSTOUN

September 3, 1946

Certified Public Accountants

LC Smith & Corona Typewriters Inc

OFFICERS

HURLBUT W. SMITH	<i>Chairman of the Board Chairman of the Executive Committee President and Treasurer</i>
ELWYN L. SMITH	<i>Executive Vice-President</i>
CARLETON F. BROWN	<i>Vice-President</i>
WARREN L. HOAGLAND	<i>Vice-President</i>
VICTOR H. DAVIDSON	<i>Vice-President</i>
JAMES B. MCCORMICK	<i>Vice-President</i>
DUNCAN K. VAN CLEEF	<i>Vice-President and Comptroller</i>
LEWIS P. SMITH, JR.	<i>Secretary</i>
MERCER V. WHITE, JR.	<i>Assistant Comptroller</i>
JOHN M. CLARE	<i>Asst. Treasurer and Asst. Secretary</i>
WALTER L. SMITH	<i>Assistant Treasurer</i>
EDWARD J. EMENY	<i>Asst. Treasurer and Asst. Secretary</i>
CHARLES F. PULFER	<i>Assistant Treasurer</i>
LLOYD W. ZAISER	<i>Assistant Secretary</i>

EXECUTIVE COMMITTEE—FINANCE COMMITTEE

Hurlbut W. Smith, <i>Chairman</i>	Harry W. Davies, <i>Chairman</i>
Harry W. Davies	Hurlbut W. Smith
Elwyn L. Smith	Elwyn L. Smith
Lewis P. Smith	
Samuel G. H. Turner	
Victor H. Davidson	
Harvey M. Smith	

DIRECTORS

Hurlbut W. Smith, <i>Chairman</i>	
Basil B. Aylesworth	Elwyn L. Smith
Carleton F. Brown	Harvey M. Smith
Victor H. Davidson	Lewis P. Smith
Harry W. Davies	Lewis P. Smith, Jr.
Theodore S. Kenyon	Louis P. Smith
Walter D. Larzelere	Wilbert A. Smith
Theodore G. Roehm	James F. Towers
Will L. Seeley	Samuel G. H. Turner

338.7
Sm615
1944/45



Annual Report

L C Smith & Corona Typewriters Inc
Syracuse New York

FOR THE YEAR ENDED JUNE THIRTIETH NINETEEN HUNDRED FORTY-FIVE

338.7
Sm615
1744/45

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

FOREIGN SUBSIDIARIES

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England

★

FACTORIES:

SYRACUSE, N. Y.

GROTON, N. Y.

CORTLAND, N. Y.

AURORA, ILL.

Products

SILENT SUPER-SPEED L C SMITH

SUPER-SPEED L C SMITH

CORONA SPEEDLINE SILENT

CORONA SPEEDLINE STERLING

CORONA SPEEDLINE STANDARD

CORONA COMET DELUXE

CORONA ZEPHYR DELUXE

CORONA ZEPHYR

CORONA ADDING MACHINE

CORONA CASHIER

VIVID DUPLICATING MACHINES
AND SUPPLIES

TYPEBAR BRAND RIBBONS, CARBONS,
AND SUPPLIES

THE LIBRARY OF THE

OCT 4 - 1951

To the Stockholders

HEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its subsidiaries as of June 30, 1945, together with a Consolidated Statement of Income and Earned Surplus as of that date.

Operations for the year ended June 30, 1945 resulted in a transfer to Earned Surplus of \$641,842.30 after provision for Federal income and excess profits taxes. This, when compared with the net income of \$716,938.13 for the previous year, shows a decrease in earnings of approximately \$75,000. This decrease was due largely to a lower volume of production resulting from an acute manpower shortage.

The Preferred Stock of the Company was eliminated as of April 1, 1945 through its change into Common Stock under a Plan of Recapitalization adopted by the Stockholders of the Company. After paying dividends amounting to \$58,132.50 for the first three quarters of the current fiscal year on the Preferred Stock then existing, the remaining net income was equivalent to approximately \$1.81 per share on 322,569 shares of Common Stock outstanding as of June 30, 1945, as compared with earnings for the previous year of \$2.31 per share on 276,237 shares of Common Stock outstanding as of June 30, 1944. Included as a charge against the current year's earnings is the sum of \$147,037.56 representing the net cost to the company of an additional charge for renegotiations for the year 1943, as well as a further charge for the New York State Franchise Tax, necessitated by an amendment to the New York State Franchise Tax Law. Adding this sum to the figure shown above results in an earning of \$2.45 per share on the present outstanding Common Stock.

The Company has continued the practice of not taking the unrealized profit on foreign exchange into operations and it is shown as a reserve on the balance sheet. Moreover, we have not reduced this reserve by the provision for unrealized exchange loss on conversion of net assets of the Canadian Subsidiary, but have shown this amount as a deduction from operations.

The current position at the close of the three years ended June 30, 1945 is set forth as follows:

	<i>Current Assets</i>	<i>Current Liabilities</i>	<i>Net Current Assets</i>	<i>Ratio</i>
June 30, 1945	\$ 9,180,095	\$2,762,396	\$6,417,699	3.32 to 1
June 30, 1944	9,933,918	3,393,383	6,540,535	2.93 to 1
June 30, 1943	10,783,860	3,985,253	6,798,607	2.71 to 1

During the current period our Syracuse Plant has been engaged in the manufacture of typewriters, the great majority of which were delivered to the armed services. Our Groton Plant has been manufacturing both portable typewriters for the armed services and war items for the U. S. Government. Present conditions indicate that all of the facilities at our Groton Plant will now be available for the production of our usual merchandise. Our sales to the Federal Government for the period from January 1, 1944 to December 31, 1944, and the profits arising therefrom, have been reviewed by the Price Adjustment Section of the Rochester Ordnance District and a settlement has been agreed upon with respect to those profits. This settlement has been reviewed and approved by governmental authorities in Washington, D. C. The profits on our war contracts for the six months period ended June 30, 1945, are subject to review and possible adjustment.

We present the following condensed statement of operations for the years ended June 30, 1945 and June 30, 1944:

	1945	1944
Net Sales (after renegotiation)	\$15,006,250.18	\$19,730,234.92
Cost of Sales	9,858,973.52	13,863,861.18
Gross Profit from Sales	5,147,276.66	5,866,373.74
Selling, General and Administrative Expenses	3,991,819.34	3,504,138.13
Net Profit from Operations, before Depreciation and Amortization . .	1,155,457.32	2,362,235.61
Provision for Depreciation and Amortization	158,113.66	156,273.41
Net Profit from Operations	997,343.66	2,205,962.20
Other Income	147,316.06	151,731.37
	1,144,659.72	2,357,693.57
Other Deductions	111,947.01	127,691.03
	1,032,712.71	2,230,002.54

Provision for Income and Excess

Profits Taxes:

United States:

Normal and Surtax.....	406,878.27	270,106.00
Excess Profits Tax.....	93,862.62	1,244,882.71
Foreign.....	2,463.87
	<u>503,204.76</u>	<u>1,514,988.71</u>
	529,507.95	715,013.83

Add:

Adjustments of Income and Excess Profits Taxes of Prior Years.....	12,334.35	1,924.30
Reversion of Reserve for Post-war Contingencies.....	<u>100,000.00</u>
Balance Transferred to Earned Surplus.....	<u>\$ 641,842.30</u>	<u>\$ 716,938.13</u>

During the past year your directors and officers have made plans for the expansion of our manufacturing facilities to obtain increased production of our regular commercial products to meet the demands of domestic and foreign markets. Construction is now under way.

Now that the war has been brought to a victorious conclusion we are anxiously looking forward to the speedy and safe return to their homes of the many of our men and women who entered the armed services.

With a deep sense of gratitude I wish to express my appreciation for the loyal service and untiring efforts exerted on behalf of the company by its officers, managers and employees.

Respectfully submitted,



President

September 12, 1945

L C SMITH & CORONA TYPEWRITER

Consolidated Balance

ASSETS

Cash in Banks and on Hand		\$ 4,126,712.38
United States Treasury and War Bonds (Market or Redeemable Value \$241,845)		236,450.00
United States Excess Profits Tax Refund Bonds		137,327.14
Dominion of Canada and British War Bonds		85,458.04
Accounts and Notes Receivable—Trade.	\$ 1,862,928.76	
<i>Less: Reserve for Doubtful Accounts</i>	80,137.49	1,782,791.27
Accounts Receivable—Other (Less Reserve).		11,338.01
Inventories (At Lower of Cost or Market)		2,800,018.37
Total Current Assets (Note 1).		9,180,095.21
<i>Non Current Receivables and Investments</i>		
<i>Accounts Receivable</i>		
Officers and Employees (Less Reserve)	8,861.70	
Other (Less Reserve)	8,904.98	
Mortgages and Real Estate Contracts Re- ceivable	8,394.45	
Investment in Real Estate (Less Deprecia- tion)	21,751.69	
Sundry Investments	4,927.93	52,840.75
Plant and Equipment (Note 2)	5,869,145.88	
<i>Less: Reserve for Depreciation.</i>	3,912,255.56	1,956,890.32
Patents Subject to Amortization		7,161.46
Cash Deposited with Trustee for Redemption of Corona Typewriter Company Preferred Stock		110.89
Prepaid Expenses and Deferred Charges		184,273.27
Goodwill, Trade Marks and Formulae		947,965.09
		<u>\$12,329,336.99</u>

(See notes on following pages)

INC AND SUBSIDIARY COMPANIES

Sheet - June 30, 1945

LIABILITIES

Accounts Payable—Trade and Other	\$ 445,941.29
Dividends Payable.	161,691.43
L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures, 2%, Due November 1, 1945	175,000.00
Renegotiation Refund Payable to United States Government (Note 3)	169,313.88
United States Income and Excess Profits Taxes Payable	\$ 1,104,413.75
Less: United States Treasury Tax Savings Notes	500,000.00
Foreign Income and Excess Profits Taxes Payable	2,463.87
United States Income and Excess Profits Taxes Accrued (Note 4)	437,435.72
Other Taxes and Expenses Payable and Accrued	588,107.04
Coupon Book and Inspection Contract Liability	178,029.46
Total Current Liabilities	2,762,396.44
Ten Year Serial Debentures—Less \$8,000 in Treasury (Note 5)	867,000.00
Reserve for Redemption of Corona Typewriter Company Pre- ferred Stock.	100.00
Total Liabilities (Note 6)	3,629,496.44
Reserve for Branch Office Fire Insurance	50,167.90
Reserve for Unrealized Losses on Foreign Exchange	68,540.87
Capital Stock—Common, No Par—Authorized 350,000 Shares, Issued and Outstanding 322,613 Shares— Less 44 Shares in Treasury (Note 7)	4,484,990.66
Capital Surplus (Note 8)	583,249.66
Earned Surplus (Accumulated since May 31, 1934) (Note 13) .	3,512,891.46
	<u>\$12,329,336.99</u>

Consolidated Statement of Income and Earned Surplus

Year Ended June 30, 1945

Net Sales (Note 9)	\$16,504,840.61	
Less: Provision for Renegotiation Refunds (Note 10)	1,498,590.43	\$15,006,250.18
Cost of Sales		9,858,973.52
Gross Profit from Sales		5,147,276.66
Selling, General and Administrative Expenses		3,991,819.34
Net Profit from Operations, Before Depreciation and Amortization		1,155,457.32
Provision for Depreciation and Amortization		158,113.66
Net Profit from Operations		997,343.66
<i>Other Income:</i>		
Cash Discounts Earned	29,478.24	
Reversion of Reserve for Doubtful Accounts	38,380.79	
Real Estate Rentals	13,712.61	
Miscellaneous	65,744.42	147,316.06
		<u>1,144,659.72</u>
<i>Other Deductions:</i>		
Interest on Funded Debt	30,676.66	
Amortization of Bond Issue Expense	5,838.35	
Royalties	39,526.28	
Foreign Exchange Loss	7,359.74	
Excess of Cost over Stated Value of Capital Stock Purchased for Treasury	2,530.66	
Miscellaneous	26,015.32	111,947.01
		<u>1,032,712.71</u>
<i>Provision for Income and Excess Profits Taxes</i> (Estimated—Note 11):		
<i>United States:</i>		
Normal and Surtax	\$ 406,878.27	
Excess Profits Tax	93,862.62	500,740.89
Foreign	2,463.87	503,204.76
		<u>529,507.95</u>
<i>Add:</i>		
Adjustments of Foreign Income and Excess Profits Taxes of Prior Years	12,334.35	
Reversion of Reserve for Postwar Contingen- cies	100,000.00	112,334.35
Balance Transferred to Earned Surplus (Note 12)		641,842.30
Consolidated Earned Surplus, July 1, 1944		3,504,818.66
		<u>4,146,660.96</u>
<i>Deduct Dividends Paid and Declared:</i>		
Common Stock	575,637.00	
Preferred Stock	58,132.50	633,769.50
Consolidated Earned Surplus, June 30, 1945 (Note 13)		<u>\$ 3,512,891.46</u>

(See notes on following pages)

Notes Relating to Financial Statements

1. The consolidated balance sheet includes current assets and current liabilities of the English subsidiary in the net amount of \$106,469.81 and of the Canadian subsidiary in the net amount of \$458,890.39 (both translated at official exchange rates). Assets of the foreign subsidiaries, other than current assets, are included in the amount of \$27,292.00.
2. The amount shown for plant and equipment represents cost to predecessor corporation and cost to corporation for subsequent acquisitions.
3. The War Contracts Price Adjustment Board, after reviewing a renegotiation refund of \$702,174.49 for the year ended December 31, 1943, agreed upon by representatives of the Company and Rochester Ordnance District, insisted that it be increased to \$1,122,254.49. In view of the relatively small net cost of the additional refund, after tax credits, the Company agreed to repay the larger amount. The revised agreement covering the calendar year 1943 provided for a total net refund of \$107,349.97, after tax credits, which was paid in May 1945. In the year ended December 31, 1944, only the Groton, New York, plant was engaged on Prime War Contracts. The Company has executed an agreement, which has been approved by the War Contracts Price Adjustment Board, to refund \$1,078,510.43 out of profits for that year. The net cost of such refund after tax credits will be \$169,313.88. Provision has been made in the attached statements for the renegotiation refunds which the Company has agreed to make. Profits for the six months ended June 30, 1945, have not been renegotiated but since they were at rates lower than those allowed in previous renegotiation proceedings, the management is of the opinion that no refund will be required and provision has not been made for any in the attached statements. Remaining War Contracts were terminated on August 16, 1945. It is expected that the Company will be fully reimbursed in the termination settlement for amounts expended and for the allowable proportion of profits on these Contracts.
4. Federal Income and Excess Profits Tax Returns of the parent Company have been examined by representatives of the United States Treasury Department for the calendar year ended December 31, 1942, and all additional taxes assessed against the Company for that and prior years have been paid. Amounts shown on the balance sheet for United States Income and Excess Profits Taxes payable represent that portion of the taxes shown by returns filed for the year ended December 31, 1944, which was not due and payable until after June 30, 1945. The liability for United States Income and Excess Profits Taxes accrued includes the estimated taxes on net income for the six months ended June 30, 1945. These estimates are believed to be fair in view of information available at this date, but the taxes applicable to income for this period cannot be determined finally until after December 31, 1945, when returns will be filed for the year ending at that date. Liabilities for Federal Excess Profits Taxes payable and accrued have been reduced by application of the related postwar credits in accordance with the provisions of the Tax Adjustment Act of 1945. See Note 11.
5. The indenture covering the ten year serial debentures issued November 1, 1940, contains the following covenant: The Corporation will not redeem or purchase any of its preferred stock of any class now or hereafter issued, or declare or pay any dividend (other than dividends in stock of the Corporation now or hereafter authorized) or make any other distribution on its stock of any class now or hereafter issued, or purchase any shares of its common stock of any class now or hereafter issued, if the consolidated net quick assets of the corporation and its subsidiaries shall at the time be less than an amount equal to one hundred and fifty per cent (150%) of the principal amount of the debentures and all other funded debt of the Corporation and its subsidiaries then outstanding, or if the effect of such redemption, purchase, dividend or distribution would be to reduce said consolidated net quick assets below an amount equal to said percentage; provided, however, that the foregoing limitation shall not apply to the declaration and payment of dividends on the 13,023 and 11/11ths shares of preferred stock of the Corporation outstanding at the date of this indenture, or on any preferred stock (entitled to dividends at a rate not in excess of 6%

per annum) issued in exchange for or to provide funds for the redemption or retirement of any or all of such shares. The Corporation will not declare or pay any dividend (except dividends in stock of the Corporation now or hereafter authorized) or make any distribution on any of its stock of any class now or hereafter authorized, if the aggregate of such dividend or other distribution and of all other dividends and other distributions declared, paid or made by the Corporation since June 30, 1940, would exceed the sum of (i) the earned surplus of the Corporation accumulated since June 30, 1940, and (ii) three hundred and fifty thousand dollars (\$350,000). (Earned surplus as of June 30, 1940, was \$1,888,099. The ten year serial debentures are payable \$175,000 annually on November 1, 1946 to 1950, inclusive. The interest rate on debentures maturing after November 1, 1945, is 3%.)

6. Since June 30, 1945, the Company has entered into contracts for the construction of additional facilities at its plants in Syracuse and Groton, New York. Other related contracts will be let in due course. The balance sheet does not reflect these commitments which it is estimated will aggregate approximately \$950,000.
7. On March 1, 1945, the stockholders approved a plan of recapitalization under which the 12,870 shares of preferred stock then issued and outstanding were changed into 46,332 shares of common stock in the ratio of 3 3/5 shares of common for each share of preferred. Acts required to effectuate the plan were thereafter performed. At June 30, 1945, holders of 277 shares of preferred stock had not tendered their certificates for conversion into common stock. The balance sheet at June 30, 1945, according to the terms of the plan, reflects their shareholdings as though conversion had been completed as shown below:

	<i>Shares</i>	<i>Amount</i>
Common Stock issued.....	321,615 4/5	\$4,465,205.33
Common Stock to be issued upon surrender of 277 shares of preferred stock.....	997 1/5	20,313.33
	<u>322,613</u>	<u>4,485,518.66</u>
Less 44 shares in Treasury.....		528.00
		<u>\$4,484,990.66</u>

8. Consolidated capital surplus remained unchanged at \$583,249.66 during the fiscal year ended June 30, 1945.
9. Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in selling, general and administrative expense.
10. After conferences with district representatives the Company agreed to repay \$1,078,510.43 to the United States Government out of profits for the year ended December 31, 1944. The agreement has been approved by the War Contracts Price Adjustment Board. The Company also agreed to an increase of \$420,080.00 in the amount of its renegotiation refund for the year ended December 31, 1943. Provision for these refunds has been made in the amounts reported on this statement. See Note 3.
11. Estimated provision for income and excess profits taxes includes an apportionment of such taxes for the calendar year 1944 to net income for the six months ended December 31, 1944, reduced by tax credits resulting from renegotiation refunds for the years 1943 and 1944, plus estimated taxes on income for the second half of the fiscal year which ended at June 30, 1945. See Note 4.
12. The balance of \$641,842.30, transferred to Earned Surplus at June 30, 1945, includes \$10,388.70 representing net income of the English subsidiary and \$9,914.72 representing the net loss of the Canadian subsidiary (translation at official rates, except as to depreciation). The parent Company did not receive any dividends from these subsidiaries during the fiscal year.
13. Consolidated earned surplus of \$3,512,891.46 includes \$70,223.98 representing earned surplus of the Canadian subsidiary and is stated after a deduction of \$38,101.58 representing the deficit in earned surplus of the English subsidiary.

HURDMAN AND CRANSTOUN

Certified Public Accountants

350 Madison Avenue

New York City

To the Board of Directors,
L C Smith & Corona Typewriters Inc
Syracuse, New York

We have examined the consolidated balance sheet of L C Smith & Corona Typewriters Inc and subsidiary companies as of June 30, 1945, and the related statement of consolidated income and earned surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence of the Company and its United States and Canadian subsidiaries, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances, except that it was not practicable to confirm receivables from the United States Government, with respect to which we have satisfied ourselves by means of other auditing procedures.

Notes relating to the respective financial statements explain uncertain factors such as renegotiation and termination of contracts, and estimates of tax liabilities which affect the determination of the financial position of the Company.

Audited statements of the English subsidiary had not been received at the date of preparation of the consolidated statements and the unaudited statements of that company were used for purposes of consolidation. However, confirmation of net income, and deficit in earned surplus at June 30, 1945, was obtained by cable from the English auditors. The assets of this subsidiary are slightly over 1% of the comparable amount in the consolidated balance sheet.

Subject to the exception set forth in the paragraph immediately preceding in respect of assets of the English subsidiary which are slightly over 1% of the comparable amount in the consolidated balance sheet, in our opinion the accompanying consolidated balance sheet and related statement of consolidated income and earned surplus, together with notes thereto, present fairly the position of L C Smith & Corona Typewriters Inc and its subsidiaries at June 30, 1945, and the results of operations for the fiscal year after such allowances as it was practicable to make at this date for those factors which are mentioned in the second paragraph of this report, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HURDMAN AND CRANSTOUN

Certified Public Accountants

September 10, 1945

L C Smith & Corona Typewriters Inc



OFFICERS

HURLBUT W. SMITH	<i>Chairman of the Board Chairman of the Executive Committee President and Treasurer</i>
ELWYN L. SMITH	<i>Assistant to the President Asst. Treasurer Asst. Secretary Vice-President</i>
CARLETON F. BROWN	<i>Vice-President</i>
WARREN L. HOAGLAND	<i>Vice-President</i>
VICTOR H. DAVIDSON	<i>Vice-President</i>
JAMES B. MCCORMICK	<i>Vice-President</i>
LEWIS P. SMITH, JR.	<i>Secretary</i>
DUNCAN K. VAN CLEEF	<i>Comptroller and Asst. Treasurer</i>
MERCER V. WHITE, JR.	<i>Assistant Comptroller</i>
JOHN M. CLARE	<i>Asst. Treasurer and Asst. Secretary</i>
WALTER L. SMITH	<i>Assistant Treasurer</i>
EDWARD J. EMENY	<i>Asst. Treasurer and Asst. Secretary</i>
SARA M. DIVEKEY	<i>Asst. Treasurer and Asst. Secretary</i>

EXECUTIVE COMMITTEE — FINANCE COMMITTEE

Hurlbut W. Smith, <i>Chairman</i>	Harry W. Davies, <i>Chairman</i>
Harry W. Davies	Hurlbut W. Smith
Elwyn L. Smith	Elwyn L. Smith
Lewis P. Smith	
Samuel G. H. Turner	
Victor H. Davidson	
Harvey M. Smith	

DIRECTORS

Hurlbut W. Smith, *Chairman*

Basil B. Aylesworth	Elwyn L. Smith
Carleton F. Brown	Harvey M. Smith
Victor H. Davidson	Lewis P. Smith
Harry W. Davies	Lewis P. Smith, Jr.
Theodore S. Kenyon	Louis P. Smith
Walter D. Larzelere	Wilbert A. Smith
Theodore G. Roehm	James F. Towers
Will L. Seeley	Samuel G. H. Turner

During the fiscal year 1944-45 the men and women of our Groton Plant received their second and third Army and Navy E Awards for their excellent record in war production.

338.7
Sm 615
1943/44



Annual Report

L C Smith & Corona Typewriters Inc
Syracuse New York

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

FOREIGN SUBSIDIARIES

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England



FACTORIES:

SYRACUSE, N. Y.

GROTON, N. Y.

CORTLAND, N. Y.

AURORA, ILL.

Products

SILENT SUPER-SPEED L C SMITH

SUPER-SPEED L C SMITH

CORONA SPEEDLINE SILENT

CORONA SPEEDLINE STERLING

CORONA SPEEDLINE STANDARD

CORONA COMET DELUXE

CORONA ZEPHYR DELUXE

CORONA ZEPHYR

CORONA ADDING MACHINE

CORONA CASHIER

VIVID DUPLICATING MACHINES
AND SUPPLIES

TYPEBAR BRAND RIBBONS, CARBONS,
AND SUPPLIES

THE LIBRARY OF THE

OCT 4 - 1951

UNIVERSITY OF ILLINOIS

338.7
Sm615
1943/44

To the Stockholders

HEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its subsidiaries as of June 30, 1944, together with a Consolidated Statement of Income and Earned Surplus as of that date.

Operations for the year ended June 30, 1944 resulted in a net income of \$716,938.13 after provision for Federal income taxes and excess profits taxes. This, when compared with the net income of \$1,064,975.06 for the previous year, shows a decrease in earnings of approximately \$348,000. This decrease is due chiefly to the termination of our rifle contract and the consequent reconversion of the Syracuse Plant for the manufacture of L C Smith typewriters. The Company has concluded its conferences pertaining to the termination claim brought about by the cancellation of the rifle contract and the result of such termination is reflected in the current operating figures for the year.

After paying dividends of \$77,688. on the Preferred Stock, including the July 1, 1944 quarterly dividend, the remaining net income was equivalent to approximately \$2.31 a share on 276,237 shares of common stock outstanding as of June 30, 1944, as compared with \$3.57 a share during the previous year.

The company has continued the practice of not taking the unrealized profit on foreign exchange into operations and it is shown as a reserve on the balance sheet. However, we have not reduced this reserve by the provision for unrealized exchange loss on conversion of net assets of the Canadian subsidiary, but have shown this amount as a deduction from operations.

The current position at the close of the three years ended June 30, 1944, is set forth as follows:

	<i>Current Assets</i>	<i>Current Liabilities</i>	<i>Net Current Assets</i>	<i>Ratio</i>
June 30, 1944	\$ 9,933,918	\$3,393,383	\$6,540,535	2.93 to 1
June 30, 1943	10,783,860	3,985,253	6,798,607	2.71 to 1
June 30, 1942	10,203,321	3,648,190	6,555,131	2.80 to 1

During the past fiscal year, your management continued to supply the Federal Government with war material in accordance with the terms of various prime contracts which were awarded to us. Although our Syracuse Plant has now resumed manufacture of typewriters, our next largest plant is still busily engaged in the manu-

4551 1943/44-1945/46 1947/48 1950/51

facture of war materiel. As previously pointed out, our activities along these lines subject your company to the limitation of profits on war contracts. Our sales to the Federal Government for the period from January 1, 1943 to December 31, 1943, and the profits arising therefrom, have been reviewed by the Price Adjustment Section of the Rochester Ordnance District and a final settlement resulting in a moderate refund after taxes, has been agreed upon with respect to those profits. The profits on our war contracts for the six months period ended June 30, 1944 are subject to review and possible adjustment.

We continued to carry into the current fiscal year the reduced operating expenses pertaining to the normal peace time activities of the company and due to this policy it is again possible to report that branch office operations have resulted in a profit for the year.

We present the following condensed statement of operations for the years ended June 30, 1944 and June 30, 1943:

	1944	1943
Net Sales (after renegotiation) . .	\$19,730,234.92	\$18,153,436.52
Cost of Sales.	<u>13,863,861.18</u>	<u>11,401,921.46</u>
Gross Profit on Sales	5,866,373.74	6,751,515.06
Selling, General and Administrative Expenses	<u>3,504,138.13</u>	<u>3,668,619.92</u>
Net Profit from Operations, before Depreciation and Amortization	2,362,235.61	3,082,895.14
Provision for Depreciation and Amortization.	<u>156,273.41</u>	<u>156,670.86</u>
Net Profit from Operations . .	2,205,962.20	2,926,224.28
Other Income	<u>151,731.37</u>	<u>195,248.71</u>
	<u>2,357,693.57</u>	<u>3,121,472.99</u>
<i>Other Deductions</i>		
Interest on Funded Debt . . .	34,176.67	37,750.66
Amortization of Bond Issue Expense	6,760.20	7,682.06
Royalties	42,144.50	36,145.95
Miscellaneous	<u>44,609.66</u>	<u>24,888.93</u>
	<u>127,691.03</u>	<u>106,467.60</u>
	<u>2,230,002.54</u>	<u>3,015,005.39</u>

*Provision for United States and
Foreign Income and Excess Profits
Taxes:*

United States:

Normal and Surtax	270,106.00	362,113.96
Excess Profits Tax	1,244,882.71	1,487,311.88
Foreign Income and Excess Profits Taxes	<u> </u>	<u>11,588.55</u>
	<u>1,514,988.71</u>	<u>1,861,014.39</u>
	715,013.83	1,153,991.00

Add or (Deduct):

Adjustments of Prior Year's In- come and Excess Profits Taxes	1,924.30	10,984.06
Provision for Post War Contin- gencies	<u> </u>	<u>(100,000.00)</u>
Net Income Transferred to Earned Surplus	<u>\$ 716,938.13</u>	<u>\$ 1,064,975.06</u>

We deeply regret to report the death on March 3, 1944 of Mr. E. Clarence Miller who was a member of the Board of Directors since September 18, 1936. His advice and counsel, so generously given, have been of great assistance to his fellow members.

In conclusion I wish to express my appreciation for the loyal co-operation of the officers, managers and employees whose untiring efforts have made it possible for us to maintain our high standard of efficiency and thereby contribute materially to the war effort.

Respectfully submitted,



President

September 12, 1944

L C SMITH & CORONA TYPEWRITE

Consolidated Balance

ASSETS

Cash in Banks and on Hand.		\$ 2,774,211.09
United States Treasury and War Bonds (Market or Redeemable Value \$235,683)		235,250.00
Dominion of Canada and British War Bonds		58,431.04
Accounts and Notes Receivable—Trade.	\$ 2,350,663.24	
<i>Less:</i> Reserve for Doubtful Accounts	<u>114,399.87</u>	2,236,263.37
Accounts Receivable—Other (Less Reserve).		5,930.77
Recoverable Expenditures under United States Government War Contracts		645,650.69
Inventories (At Lower of Cost or Market)		<u>3,978,181.55</u>
Total Current Assets (Note 1).		9,933,918.51
<i>Non Current Receivables and Investments</i>		
<i>Accounts Receivable</i>		
Officers and Employees	4,710.07	
Other (Less Reserve)	652.59	
Mortgages and Real Estate Contracts Re- ceivable	14,754.45	
Investment in Real Estate (Less Deprecia- tion)	23,224.10	
Sundry Investments	<u>4,929.93</u>	48,271.14
Plant and Equipment (Note 2)	5,407,591.89	
<i>Less:</i> Reserve for Depreciation.	<u>3,785,601.29</u>	1,621,990.60
Patents Subject to Amortization		7,926.73
Cash Deposited with Trustee for Redemption of Corona Typewriter Company Preferred Stock		110.89
Prepaid Expenses and Deferred Charges		439,005.03
Goodwill, Trade Marks and Formulae		947,965.09
Post-War Refund of Excess Profits Taxes		233,856.27

\$13,233,044.26

(See notes on following pages)

INC AND SUBSIDIARY COMPANIES

et - June 30, 1944

LIABILITIES

Accounts Payable—Trade and Other	\$	491,995.26
Dividends Payable		157,153.49
L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures, 2%, Due November 1, 1944		175,000.00
Renegotiation Refund Payable to United States Government (Note 3)		702,174.49
United States Income and Excess Profits Taxes Payable.		745,924.19
<i>Accrued Taxes and Other Expenses</i>		
United States Income and Excess Profits Taxes (Note 4)	\$1,105,064.60	
Less: United States Treasury Tax Savings Notes (Face \$643,000, Plus Interest).	648,718.50	\$ 456,346.10
Other Taxes and Expenses	480,549.37	936,895.47
Coupon Book and Inspection Contract Liability		184,240.27
Total Current Liabilities		3,393,383.17
Ten Year Serial Debentures—Less \$8,000 in Treasury (Note 5)		1,042,000.00
Reserve for Redemption of Corona Typewriter Company Pre- ferred Stock.		100.00
TOTAL LIABILITIES		4,435,483.17
Reserve for Branch Office Fire Insurance		50,167.90
Reserve for Unrealized Losses on Foreign Exchange		68,540.87
Reserve for Post-War Contingencies		100,000.00
<i>Capital Stock</i>		
\$6 Cumulative Preferred, No Par—Authorized 30,000 Shares—Issued and Outstanding 13,023-11/11 Shares—Less 75 Shares in Treasury	949,593.34	
Common, No Par—Authorized 350,000 Shares Issued and Outstanding 276,281 Shares—Less 44 Shares in Treasury	3,541,190.66	4,490,784.00
Capital Surplus (Note 6)		583,249.66
Earned Surplus (Accumulated since May 31, 1934) (Note 11) :		3,504,818.66
		<u>\$13,233,044.26</u>

L C SMITH & CORONA TYPEWRITERS

Consolidated Statement of Income and Earned Surplus

Year Ended June 30, 1944

Net Sales (Note 7)	\$20,432,409.41	
Less: Provision for Renegotiation Refund (Note 8)	702,174.49	\$19,730,234.92
Cost of Sales		13,863,861.18
Gross Profit from Sales		5,866,373.74
Selling, General and Administrative Expenses		3,504,138.13
Net Profit from Operations, Before Depreciation and Amortization		2,362,235.61
Provision for Depreciation and Amortization		156,273.41
Net Profit from Operations		2,205,962.20
<i>Other Income:</i>		
Cash Discounts Earned	59,808.73	
Reversion of Reserve for Doubtful Accounts	27,300.88	
Real Estate Rentals	13,939.62	
Miscellaneous	50,682.14	151,731.37
		2,357,693.57
<i>Other Deductions:</i>		
Interest on Funded Debt	34,176.67	
Amortization of Bond Issue Expense	6,760.20	
Royalties	42,144.50	
Miscellaneous	44,609.66	127,691.03
		2,230,002.54
<i>Provision for Income and Excess Profits Taxes</i> (Estimated—Note 9):		
<i>United States:</i>		
Normal and Surtax	270,106.00	
Excess Profits Tax	\$1,331,634.35	
Less: Post-War Credit	86,751.64	1,244,882.71
		715,013.83
<i>Add: Adjustments of Income and Excess</i>		
Profits Taxes for Prior Years		1,924.30
Balance of Net Income Transferred to Earned Surplus (Note 10)		716,938.13
Consolidated Earned Surplus, July 1, 1943		3,418,042.53
		4,134,980.66
<i>Deduct Dividends Paid and Declared:</i>		
Common Stock	552,474.00	
Preferred Stock	77,688.00	630,162.00
Consolidated Earned Surplus, June 30, 1944 (Note 11)		\$ 3,504,818.66

(See notes on following pages)

Notes Relating to Financial Statements

1. The consolidated balance sheet includes current assets and current liabilities of the English subsidiary in the net amount of \$95,875.06 and of the Canadian subsidiary in the net amount of \$398,531.81 (both translated at official exchange rates). Assets of the foreign subsidiaries, other than current assets, are included in the amount of \$21,755.07.
2. The amount shown for plant and equipment represents cost to predecessor corporation and cost to corporation for subsequent acquisitions.
3. As a result of renegotiation proceedings with the Army War Price Adjustment Board (Rochester Ordnance District) the Corporation has agreed to repay \$702,174.49 to the United States Government out of profits for the year ended December 31, 1943. The greater part of this amount is offset by tax credits which the Company will receive in reduction of the liability shown by its Federal income and excess profits tax returns for that year. Appropriate provision for this refund has been made in the attached statements. Profits for the six months ended June 30, 1944 have not been renegotiated, but it is probable that such proceedings will be instituted after December 31, 1944. The attached balance sheet and statement of income and surplus do not include any provision for refunds which the Company may be required to make out of profits for the six months ended June 30, 1944. However, it is the opinion of the officers, that any such refunds will not have a material effect on the financial position of the Company as reported at June 30, 1944 or on the balance of net income, after provision for Federal income and excess profits taxes, which was transferred to surplus at that date. Certain major United States Government war contracts upon which the Company was engaged were terminated during the year. The amounts reported in the financial statements reflect the basis of settlement of these contracts which has been tentatively agreed upon by the contracting parties. The Company has not been advised of the intention of the United States Government to terminate or materially modify any of the other government contracts to which the Company was a party at June 30, 1944.
4. Federal income and excess profits tax returns of the parent Company have been examined by representatives of the United States Treasury Department for the calendar year ended December 31, 1942 and all additional taxes assessed against the Company for that and prior years have been paid. Amounts shown on the balance sheet for United States income and excess profits taxes payable represent that portion of the taxes shown by returns filed for the year ended December 31, 1943, which was not due and payable until after June 30, 1944. The accrued liability for United States income and excess profits taxes represents the estimated taxes on net income for the six months ended June 30, 1944. These estimates are believed to be fair in view of information available at this date, but the taxes applicable to income for this period cannot be determined finally until after December 31, 1944, when returns will be filed for the year ending at that date. See Note 9.
5. The indenture covering the ten year serial debentures issued November 1, 1940, contains the following covenant: The Corporation will not redeem or purchase

any of its preferred stock of any class now or hereafter issued, or declare or pay any dividend (other than dividends in stock of the Corporation now or hereafter authorized) or make any other distribution on its stock of any class now or hereafter issued, or purchase any shares of its common stock of any class now or hereafter issued, if the consolidated net quick assets of the corporation and its subsidiaries shall at the time be less than an amount equal to one hundred and fifty per cent (150%) of the principal amount of the debentures and all other funded debt of the Corporation and its subsidiaries then outstanding, or if the effect of such redemption, purchase, dividend or distribution would be to reduce said consolidated net quick assets below an amount equal to said percentage; provided, however, that the foregoing limitation shall not apply to the declaration and payment of dividends on the 13,023 and 11/11ths shares of preferred stock of the Corporation outstanding at the date of this indenture, or on any preferred stock (entitled to dividends at a rate not in excess of 6% per annum) issued in exchange for or to provide funds for the redemption or retirement of any or all of such shares. The Corporation will not declare or pay any dividend (except dividends in stock of the Corporation now or hereafter authorized) or make any distribution on any of its stock of any class now or hereafter authorized, if the aggregate of such dividend or other distribution and of all other dividends and other distributions declared, paid or made by the Corporation since June 30, 1940, would exceed the sum of (i) the earned surplus of the Corporation accumulated since June 30, 1940, and (ii) three hundred and fifty thousand dollars (\$350,000). Earned surplus as of June 30, 1940, was \$1,888,099.00. The ten year serial debentures are payable \$175,000 annually on November 1, 1945 to 1950 inclusive. The interest rate on debentures maturing to and including November 1, 1945 is 2% and on subsequent maturities the rate is 3%.

6. Consolidated capital surplus remained unchanged at \$583,249.66 during the fiscal year ended June 30, 1944.
7. Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in selling, general and administrative expense.
8. Renegotiation proceedings have been completed to December 31, 1943, and provision has been made in the amounts reported on this statement for the refund which the Company has agreed to make to the United States Government. See Note 3.
9. Estimated provision for income and excess profits taxes includes an apportionment of such taxes for the calendar year 1943 to net income for the six months ended December 31, 1943, reduced by a tax credit resulting from the renegotiation refund for the year 1943, plus estimated taxes payable out of income for the second half of the fiscal year which ended at June 30, 1944. See Note 4.
10. Consolidated net income includes \$11,520.42 representing net income of the English subsidiary and \$19,865.68 representing the net loss of the Canadian subsidiary (translation at official rates, except as to depreciation). The parent Company did not receive any dividends from these subsidiaries during the fiscal year.
11. Consolidated earned surplus of \$3,504,818.66 includes \$69,528.80 representing earned surplus of the Canadian subsidiary and is stated after a deduction of \$50,441.96 representing the deficit in earned surplus of the English subsidiary.

HURDMAN AND CRANSTOUN

Certified Public Accountants

350 Madison Avenue

New York City

To the Board of Directors,
L C Smith & Corona Typewriters Inc
Syracuse, New York.

We have examined the consolidated balance sheet of L C Smith & Corona Typewriters Inc and subsidiary companies as of June 30, 1944, and the related statement of consolidated income and earned surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence of the Company and its United States and Canadian subsidiaries, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances, except that it was not practicable to confirm receivables from the United States Government, with respect to which we have satisfied ourselves by means of other auditing procedures, and except for the omission of certain normal physical inventory procedures described in this report.

Notes relating to the respective financial statements explain uncertain factors such as renegotiation and termination of contracts, and estimates of tax liabilities which affect the determination of the financial position of the Company.

One plant of the Company was engaged, in part, at June 30, 1944 in the manufacture of secret devices for the United States Government. To avoid interruption of production and for reasons of national security the Company did not physically inventory work in process at this plant amounting to \$749,849.61 at June 30, 1944. It was not practicable for us to make physical tests of this work in process under the circumstances. However, the above amount was checked with Company records which we examined and found to be adequate in our test checks of other portions of the inventories.

Audited statements of the English subsidiary had not been received at the date of preparation of the consolidated statements and the unaudited statements of that company were used for purposes of consolidation. However, confirmation of net income, and deficit in earned surplus at June 30, 1944, was obtained by cable from the English auditors. The assets and liabilities of this subsidiary are each less than 1% of the respective comparable amounts in the consolidated balance sheet.

Subject to the exceptions set forth in the two paragraphs immediately preceding in respect of inventories amounting to \$749,849.61 and assets and liabilities of the English subsidiary which are less than 1% of the respective comparable amounts in the consolidated balance sheet, in our opinion the accompanying consolidated balance sheet and related statement of consolidated income and earned surplus, together with notes thereto, present fairly the position of L C Smith & Corona Typewriters Inc and its subsidiaries at June 30, 1944, and the results of operations for the fiscal year after such allowances as it was practicable to make at this date for those factors which are mentioned in the second paragraph of this report, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HURDMAN AND CRANSTOUN

Certified Public Accountants

September 5, 1944

L C Smith & Corona Typewriters Inc



OFFICERS

HURLBUT W. SMITH

*Chairman of the Board
Chairman of the Executive Committee
President and Treasurer
Assistant to the President*

ELWYN L. SMITH

*Asst. Treasurer
Asst. Secretary
Vice-President
Vice-President
Vice-President
Secretary*

CARLETON F. BROWN

WARREN L. HOAGLAND

VICTOR H. DAVIDSON

JAMES B. MCCORMICK

LEWIS P. SMITH, JR.

DUNCAN K. VAN CLEEF

MERCER V. WHITE, JR.

JOHN M. CLARE

WALTER L. SMITH

EDWARD J. EMENY

SARA M. DIVEKEY

*Comptroller and Asst. Treasurer
Assistant Comptroller
Asst. Treasurer and Asst. Secretary
Assistant Treasurer
Asst. Treasurer and Asst. Secretary
Asst. Treasurer and Asst. Secretary*

EXECUTIVE COMMITTEE—FINANCE COMMITTEE

Hurlbut W. Smith, *Chairman*

Harry W. Davies

Elwyn L. Smith

Lewis P. Smith

Samuel G. H. Turner

Victor H. Davidson

Harvey M. Smith

Harry W. Davies, *Chairman*

Hurlbut W. Smith

Elwyn L. Smith

DIRECTORS

Basil B. Aylesworth

Carleton F. Brown

Victor H. Davidson

Harry W. Davies

Theodore S. Kenyon

Walter D. Larzelere

Theodore G. Roehm

Will L. Seeley

Elwyn L. Smith

Harvey M. Smith

Hurlbut W. Smith

Lewis P. Smith

Lewis P. Smith, Jr.

Louis P. Smith

Wilbert A. Smith

James F. Towers

Samuel G. H. Turner

War production entrusted to us is precision work calling for craftsmanship of the highest order . . . skill won through many years of making America's finest portable and office typewriters.

338.7
Sm 615
1942/43



Annual Report

L C Smith & Corona Typewriters Inc
Syracuse New York

LIBRARY OF THE
AUG 27 1951
UNIVERSITY OF ILLINOIS

FOR THE YEAR ENDED JUNE THIRTIETH NINETEEN HUNDRED FORTY-THREE

338.7
Sm 615
13-12/43

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

FOREIGN SUBSIDIARIES

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England

★

FACTORIES:

SYRACUSE, N. Y.

GROTON, N. Y.

CORTLAND, N. Y.

AURORA, ILL.

Products

SILENT SUPER-SPEED L C SMITH

SUPER-SPEED L C SMITH

CORONA SPEEDLINE SILENT

CORONA SPEEDLINE STERLING

CORONA SPEEDLINE STANDARD

CORONA COMET DELUXE

CORONA ZEPHYR DELUXE

CORONA ZEPHYR

CORONA ADDING MACHINE

CORONA CASHIER

**VIVID DUPLICATING MACHINES
AND SUPPLIES**

**TYPEBAR BRAND RIBBONS, CARBONS,
AND SUPPLIES**

To the Stockholders

HEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its subsidiaries as of June 30, 1943, together with a Consolidated Statement of Operations and Earned Surplus as of that date.

Operations for the year ended June 30, 1943 resulted in a net income of \$1,064,975.06 after provision for Federal income taxes and excess profits taxes and after providing a reserve of \$100,000 for post war contingencies. This when compared with the net profit of \$1,327,-179.17 for the previous year shows a decrease in earnings of approximately \$262,000. This decrease in net profit is to some extent occasioned by the conversion from the manufacture of typewriters to war products. During the early part of the year the company was engaged in making the necessary conversion on one of its war contracts, during which period the volume obtained was very small. The volume on this particular contract is now running on a satisfactory basis.

After paying dividends of \$77,688 on the preferred stock, including the July 1, 1943 quarterly dividend, the remaining net income was equivalent to approximately \$3.57 a share on 276,237 shares of common stock outstanding as of June 30, 1943, as compared with \$4.52 a share during the previous year.

The company has continued the practice of not taking the unrealized profit on foreign exchange into operations, and it is shown as a reserve on the balance sheet. However, we have not reduced this reserve by the provision for unrealized exchange loss on conversion of net assets of the Canadian subsidiary, but have shown this amount as a deduction from or addition to operations.

The current position at the close of the three years ended June 30, 1943, is set forth as follows:

	<i>Current Assets</i>	<i>Current Liabilities</i>	<i>Net Current Assets</i>	<i>Ratio</i>
June 30, 1943	\$10,783,860	\$3,985,253	\$6,798,607	2.71 to 1
June 30, 1942	10,203,321	3,648,190	6,555,131	2.80 to 1
June 30, 1941	8,555,373	2,337,953	6,217,420	3.66 to 1

During the past fiscal year, your management has been actively engaged in supplying to the Federal government war materiel in accordance with the terms of the various prime contracts and sub-contracts into which we had entered in order to further the war

effort. Our activities along these lines subject your company to the limitation of profits on war contracts, as provided for by Federal law. Our sales to the Federal government for the period from April 28, 1942 to December 31, 1942, and the profits arising therefrom have been reviewed by the Price Adjustment Section of the Rochester Ordnance District, and a final settlement, resulting in a small refund after taxes, has been agreed upon with respect to those profits. The profits on our war contracts for the six months' period ended June 30, 1943 are subject to review and possible adjustment.

In addition to the foregoing, we have continued our permitted production and sale of carbon paper, typewriter ribbons and other office supplies. Very material reductions have been made in expenses pertaining to the normal peacetime activities of the company. Due to this policy, it is pleasing to report that the Branch Office operations have resulted in a profit for the year, in spite of the fact that their sales for the greater part of this period were limited to second-hand typewriters, service work and office supplies.

We present the following condensed statement of operations for the years ended June 30, 1943 and June 30, 1942:

	1943	1942
Net Sales (after contract renegotiation)	\$18,153,436.52	\$18,947,801.47
Cost of Sales	<u>11,401,921.46</u>	<u>9,265,324.29</u>
Gross Profit on Sales	6,751,515.06	9,682,477.18
Selling, General and Administrative Expenses	<u>3,668,619.92</u>	<u>5,565,447.24</u>
Net Profit from Operations, before Depreciation and Amortization	3,082,895.14	4,117,029.94
Provision for Depreciation and Amortization	<u>156,670.86</u>	<u>150,170.74</u>
Net Profit from Operations	2,926,224.28	3,966,859.20
Other Income	<u>195,248.71</u>	<u>84,180.19</u>
	<u>3,121,472.99</u>	<u>4,051,039.39</u>
<i>Other Deductions</i>		
Interest on Funded Debt	37,750.66	41,416.68
Royalties	36,145.95	43,560.40
Amortization of Bond Issue Expense	7,682.06	14,749.53
Miscellaneous	<u>24,888.93</u>	<u>110,255.54</u>
	106,467.60	209,982.15
	<u>3,015,005.39</u>	<u>3,841,057.24</u>

*Provision for United States and
Foreign Income and Excess Profits
Taxes:*

United States:

Normal and Surtax	362,113.96	509,581.10
Excess Profits Tax	1,487,311.88	1,972,765.47
Foreign Income and Excess Profits Taxes	11,588.55	31,531.50
	<u>1,861,014.39</u>	<u>2,513,878.07</u>
	1,153,991.00	1,327,179.17

Add or (Deduct):

Adjustments of Prior Year's In- come and Excess Profits Taxes	10,984.06	
Provision for Post War Contin- gencies	(100,000.00)	
Net Income Transferred to Earned Surplus	<u>\$ 1,064,975.06</u>	<u>\$ 1,327,179.17</u>

It is with deep regret that we report the death on August 29, 1943, of Mr. William A. Mackenzie, a member of the Board of Directors and general counsel for the company since the date of its incorporation. In both of these capacities, Mr. Mackenzie, by his wise judgment and unselfish devotion to its welfare, contributed greatly to the progress of your company.

For the past year the policy of the company has been to use all of its resources to carry out its part in the country's war effort, and this policy will continue for the duration of the war. Under existing circumstances and restrictions, little information can be given at present concerning our part in this program. With the loyal cooperation of a capable organization, your company has maintained satisfactory production of war materiel, and full appreciation is expressed for their efficient efforts, which contributed so materially to the favorable results of the past year.

Respectfully submitted,



President

September 11, 1943

L C SMITH & CORONA TYPEWRITERS INC

CONSOLIDATED BALANCE

Assets

Cash in Banks and on Hand		\$3,695,810.87
United States Treasury and War Bonds (Market or Redeemable Value \$175,473)		177,019.05
Dominion of Canada and British War Bonds		40,413.04
Accounts and Notes Receivable—Trade \$1,647,437.82		
<i>Less: Reserve for Uncollectibles</i>	139,698.78	1,507,739.04
Accounts Receivable—Other		294,692.94
Recoverable Expenditures under United States Government War Contracts		552,583.84
Inventories (At Lower of Cost or Market and After Provision for Obsolescence)		4,515,601.68
Total Current Assets (Note 2.)		<u>10,783,860.46</u>
<i>Non Current Receivables and Investments</i>		
<i>Accounts Receivable</i>		
Officers and Employees	3,769.79	
Others (Less Reserve)	8,274.72	
Mortgages and Real Estate Contracts Receivable	16,221.28	
Investment in Real Estate (Less Depreciation)	28,888.84	
Sundry Investments	4,932.93	62,087.56
Plant and Equipment (Note 1.)	5,277,398.36	
<i>Less: Reserve for Depreciation</i>	3,649,578.11	1,627,820.25
Patents Subject to Amortization		8,691.98
Cash Deposited with Trustees for Redemption of Corona Typewriter Company Preferred Stock		110.89
Prepaid Expenses and Deferred Charges		320,905.95
Goodwill, Trade Marks and Formulae		947,965.09
Post War Refund of Excess Profits Tax		161,695.62

TOTAL ASSETS. \$13,913,137.80

(See notes on following pages)

SHEET • JUNE 30, 1943

Liabilities

Accounts Payable—Trade		\$ 815,636.53
Accounts Payable—Other		30,876.99
Dividends Payable		157,083.82
L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures, Due November 1, 1943, Interest Rate 2%		175,000.00
Renegotiation Refund Payable to United States Gov- ernment (Note 5.)		325,000.00
<i>Taxes Payable</i> (Note 3.)		
United States Income and Excess Profits Taxes.	\$ 612,504.51	
Foreign Income and Excess Profits Taxes	9,426.39	621,930.90
<i>Accrued Taxes and Other Expenses</i> (Note 3.)		
United States Income and Excess Profits Taxes	\$1,824,875.20	
<i>Less:</i> United States Treasury Tax Sav- ings Notes (Face \$750,000, Plus In- terest).	750,500.00	1,074,375.20
Other Taxes and Expenses	612,543.32	1,686,918.52
Coupon Book and Inspection Contract Liability		172,806.08
Total Current Liabilities.		3,985,252.84
Ten Year Serial Debentures—Payable \$175,000 Annu- ally on November 1, 1944 to 1950, Inclusive, Interest Rate on Debentures Maturing To and Including November 1, 1945, 2%—On Subsequent Maturities, 3%—Less \$8,000 in Treasury		1,217,000.00
Reserve for Redemption of Corona Typewriter Company Preferred Stock.		100.00
TOTAL LIABILITIES		5,202,352.84
Reserve for Branch Office Fire Insurance		50,167.90
Reserve for Unrealized Losses on Foreign Exchange		68,540.87
Reserve for Post War Contingencies.		100,000.00
<i>Capital Stock</i>		
\$6 Cumulative Preferred, No Par— Authorized 30,000 Shares—Issued and Outstanding 13,023-11/11 Shares—Less 75 Shares in Treasury	949,593.34	
Common, No Par—Authorized 350,- 000 Shares—Issued and Outstand- ing 276,281 Shares—Less 44 Shares in Treasury	3,541,190.66	4,490,784.00
Capital Surplus (Note 6.)		583,249.66
Earned Surplus (Accumulated Since May 31, 1934) (Note 10.)		3,418,042.53
		<u>\$13,913,137.80</u>

L C SMITH & CORONA TYPEWRITERS INCOR

Consolidated Statement of

Year Ended

Net Sales (Note 8.)	\$18,478,436.52	
Less: Provision for Renegotiation Re-		
fund	325,000.00	\$18,153,436.52
Cost of Sales		<u>11,401,921.46</u>
Gross Profit from Sales		6,751,515.06
Selling, General and Administrative Expenses		<u>3,668,619.92</u>
Net Profit from Operations, Before		
Depreciation and Amortization		3,082,895.14
Provision for Depreciation and Amortization		<u>156,670.86</u>
Net Profit from Operations		<u>2,926,224.28</u>

Other Income:

Cash Discounts Earned	65,397.73	
Reduction of Reserve for Estimated		
Loss on Disposal of Excess Inven-		
tores	48,150.69	
Real Estate Rentals	14,904.67	
Miscellaneous	<u>66,795.62</u>	<u>195,248.71</u>
		3,121,472.99

Other Deductions:

Interest on Funded Debt	37,750.66	
Amortization of Bond Issue Expense	7,682.06	
Royalties	36,145.95	
Miscellaneous	<u>24,888.93</u>	<u>106,467.60</u>
		3,015,005.39

Provision for United States and Foreign Income and Excess Profits Taxes:

United States:

Normal and Surtax	362,113.96	
Excess Profits Tax \$1,649,007.50		
Less: Post War		
Credit.	<u>161,695.62</u>	<u>1,487,311.88</u>
Foreign Income and Excess Profits		
Taxes	<u>11,588.55</u>	<u>1,861,014.39</u>
Total Forwarded to next page		\$1,153,991.00

(See notes on following pages)

Income and Earned Surplus

June 30, 1943

Brought Forward		\$1,153,991.00
Add or (Deduct):		
Adjustments of Prior Year's Income and Excess Profits Taxes	10,984.06	
Provision for Post-War Contingencies	(100,000.00)	(89,015.94)
Balance of Net Income Transferred to Earned Surplus (Note 7.)		1,064,975.06
Consolidated Earned Surplus, July 1, 1942		2,983,229.47
		4,048,204.53
Deduct Dividends Paid and Declared:		
Common Stock	552,474.00	
Preferred Stock	77,688.00	630,162.00
Consolidated Earned Surplus, June 30, 1943 (Note 10).		<u>\$3,418,042.53</u>

(See notes on following pages)

Notes Relating to Financial Statements

Consolidated Balance Sheet.

1. The amount shown for plant and equipment represents cost to predecessor corporation and cost to Corporation for subsequent acquisitions.
2. The consolidated balance sheet includes current assets and current liabilities of the English subsidiary company in the net amount of \$89,904.31 and of the Canadian subsidiary company in the net amount of \$405,720.72 (both converted at official exchange rates). Assets of the foreign subsidiaries other than current assets are included in the amount of \$24,701.95.
3. Federal income and excess profits tax returns of the parent Company have been examined by representatives of the United States Treasury Department for the calendar year ended December 31, 1939, and all additional taxes assessed against the Company for that and prior years have been paid. Amounts shown on the balance sheet for Federal income and excess profits taxes payable and accrued include full provision for unpaid taxes and indicated additional taxes which may be assessed for the years ended December 31, 1940, to 1942 inclusive, and estimated provision at rates believed to be adequate for accrued taxes for the six months ended June 30, 1943.
4. The Indenture covering the Ten Year Serial Debentures issued November 1, 1940, contains the following covenant: The Corporation will not redeem or purchase any of its preferred stock of any class now or hereafter issued, or declare or pay any dividend (other than dividends in stock of the Corporation now or hereafter authorized) or make any other distribution on its stock of any class now or hereafter issued, or purchase any shares of its common stock of any class

now or hereafter issued, if the consolidated net quick assets of the corporation and its subsidiaries shall at the time be less than an amount equal to one hundred and fifty per cent (150%) of the principal amount of the debentures and all other funded debt of the Corporation and its subsidiaries then outstanding, or if the effect of such redemption, purchase, dividend or distribution would be to reduce said consolidated net quick assets below an amount equal to said percentage; provided, however, that the foregoing limitation shall not apply to the declaration and payment of dividends on the 13,023 and 11/11ths shares of preferred stock of the Corporation outstanding at the date of this Indenture, or on any preferred stock (entitled to dividends at a rate not in excess of 6% per annum) issued in exchange for or to provide funds for the redemption or retirement of any or all of such shares.

The Corporation will not declare or pay any dividend (except dividends in stock of the Corporation now or hereafter authorized) or make any distribution on any of its stock of any class now or hereafter authorized, if the aggregate of such dividend or other distribution and of all other dividends and other distributions declared, paid or made by the Corporation since June 30, 1940, would exceed the sum of (I) the earned surplus of the Corporation accumulated since June 30, 1940, and (II) three hundred and fifty thousand dollars (\$350,000). Earned Surplus as of June 30, 1940, was \$1,888,099.00.

5. As a result of renegotiation proceedings with the Army War Price Adjustment Board (Rochester Ordnance District) the Corporation has agreed to repay \$325,000 to the United States Government out of profits for the year ended December 31, 1942. The greater part of this amount is offset by tax credits which the Company will receive in reduction of the liability shown by its Federal income and excess profits tax returns for that year. Appropriate provision for this refund has been made in the attached statements. Profits for the six months ended June 30, 1943, have not been renegotiated, but it is probable that such proceedings will be instituted after December 31, 1943. The attached balance sheet and statement of income and surplus do not include any provision for refunds which the Company may be required to make out of profits for the six months ended June 30, 1943. However, it is the opinion of the officers, that any such refund will not have a material effect on the financial position of the Company as reported at June 30, 1943, or on the balance of net income, after provision for Federal income and excess profits taxes, which was transferred to surplus at that date.
6. Consolidated capital surplus remained unchanged at \$583,249.66 during the fiscal year ended June 30, 1943.

Consolidated Statement of Income and Earned Surplus.

7. Consolidated net income includes \$27,080.28 representing net income of the English subsidiary company and \$28,657.53 representing net income of the Canadian subsidiary company (conversion at official rates, except as to depreciation). The parent Company did not receive any dividends from these subsidiaries during the fiscal year.
8. Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in selling, general and administrative expense.
9. Renegotiation proceedings have been completed to December 31, 1942, and provision has been made in the amounts reported on this statement for the refund which the Company has agreed to make to the United States Government. See Note 5 relating to the consolidated balance sheet.
10. Consolidated earned surplus of \$3,418,042.53 includes \$11,294.46 representing earned surplus of the Canadian subsidiary and is stated after a deduction of \$393,167.83 representing the deficit in earned surplus of the English subsidiary.

HURDMAN AND CRANSTOUN

Certified Public Accountants

350 Madison Avenue

New York City

To the Board of Directors,
L C Smith & Corona Typewriters Inc
Syracuse, New York.

We have examined the consolidated balance sheet of L C Smith & Corona Typewriters Inc and subsidiary companies as of June 30, 1943, and the related statement of consolidated income and earned surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence of the Company and its United States and Canadian subsidiaries, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances, except that it was not practicable to confirm receivables from the United States Government, with respect to which we have satisfied ourselves by means of other auditing procedures, and except for the omission of certain normal physical inventory procedures described in this report.

Notes relating to the respective financial statements explain uncertain factors such as renegotiation and termination of contracts, estimates of tax liability, and various contingencies which affect the determination of the financial position of the Company.

To avoid interruption of war work the Company did not physically inventory certain stocks at June 30, 1943, upon which production has been restricted by the United States Government, and which are relatively inactive. We made test checks, which we considered adequate, of the physical quantities of these stocks, except for certain work in process at the Syracuse and Groton plants, amounting to \$585,141.32 for which physical test checks were not practicable in the absence of a physical inventory by the Company. The above amount was shown by Company records which we examined and found to be adequate in our test checks of other portions of the inventories.

Audited statements of the English subsidiary company had not been received at the date of preparation of the consolidated statements herein and the unaudited statements of that company were used for purposes of consolidation. However, confirmation of net income, and deficit in earned surplus at June 30, 1943, was obtained by cable from the English auditors. The assets and liabilities of this subsidiary are each less than 1% of the respective comparable amounts in the consolidated balance sheet.

Subject to the exceptions set forth in the two paragraphs immediately preceding in respect of inventories amounting to \$585,141.32 and assets and liabilities of the English subsidiary which are less than 1% of the respective comparable amounts in the consolidated balance sheet, in our opinion the accompanying consolidated balance sheet and related statement of consolidated income and surplus, together with notes thereto, present fairly the position of L C Smith & Corona Typewriters Inc and its subsidiaries at June 30, 1943, and the results of operations for the fiscal year after such allowances as it was practicable to make at this date for those factors which are mentioned in the second paragraph of this report, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

HURDMAN AND CRANSTOUN

Certified Public Accountants

September 7, 1943



War production entrusted to us is precision work calling for craftsmanship of the highest order . . . skill won through many years of making America's finest portable and office typewriters.

Sm 615
1941/42



Annual Report

L C Smith & Corona Typewriters Inc
Syracuse New York

THE LIBRARY OF THE
NOV 11 1947
UNIVERSITY OF ILLINOIS

FOR THE YEAR ENDED JUNE THIRTIETH NINETEEN HUNDRED FORTY-TWO

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

FOREIGN SUBSIDIARIES

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England



FACTORIES:

SYRACUSE, N. Y.

GROTON, N. Y.

CORTLAND, N. Y.

AURORA, ILL.

Products

SILENT SUPER-SPEED L C SMITH

SUPER-SPEED L C SMITH

CORONA SPEEDLINE SILENT

CORONA SPEEDLINE STERLING

CORONA SPEEDLINE STANDARD

CORONA COMET DELUXE

CORONA ZEPHYR DELUXE

CORONA ZEPHYR

CORONA ADDING MACHINE

CORONA CASHIER

VIVID DUPLICATING MACHINES
AND SUPPLIES

TYPEBAR BRAND RIBBONS, CARBONS,
AND SUPPLIES

538-1
Sm615
1941/42

To the Stockholders

HEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its Subsidiaries as of June 30, 1942, together with a Consolidated Statement of Operations, Earned Surplus and Capital Surplus as of that date.

Operations for the year ended June 30, 1942, resulted in a net income of \$1,327,179.17 after provision for Federal income taxes and excess profits tax. The excess profits tax was computed under the law in effect at June 30, 1942, plus the estimated additional amount applicable to the period under the provision of the Revenue bill adopted by the House of Representatives on July 20, 1942. The excess profits tax and the additional tax necessitated by the above-mentioned House bill amounted to \$1,866,580.49. The net profit of \$1,327,179.17 when compared with the net profit for the previous year of \$1,035,040.63 shows a net increase of \$292,138.54.

The New York State unemployment tax, Federal unemployment and old-age tax, capital stock tax and sales taxes in addition to the above-mentioned taxes amounted to \$502,692.33, which same taxes amounted to \$424,268.98 in the previous year.

After paying dividends on the preferred stock of \$77,688.00, which includes the July 1, 1942, quarterly dividend, the remaining net income was equivalent to approximately \$4.52 a share on 276,237 shares of common stock outstanding as of June 30, 1942, as compared with \$3.46 a share during the previous year.

The company has continued the practice of not taking the unrealized profit on foreign exchange into operations, and it is shown as a reserve on the balance sheet. However, we have not reduced this reserve by the provision for unrealized exchange loss on conversion of net assets of the Canadian subsidiary, but have shown this amount as a deduction from or addition to operations.

The current position at the close of the three years ended June 30, 1942, is set forth as follows:

	Current Assets	Current Liabilities	Net Current Assets	Ratio
June 30, 1942	\$10,203,321	\$3,648,190	\$6,555,131	2.80 to 1
June 30, 1941	8,555,373	2,337,953	6,217,420	3.66 to 1
June 30, 1940	6,843,158	1,882,317	4,960,841	3.64 to 1

NOV 11 1947
G. Business Review, Inc.
1942/43 cont.

During the past fiscal year, your management has been exerting its best efforts to cooperate with the Federal Government in the war program, and while a very large percentage of our net sales during that period has been realized from our regular business of manufacturing and selling typewriters (which under the present order of the War Production Board will cease or be greatly curtailed by October 31, 1942), we have entered into contracts and subcontracts for ordnance and other military supplies which, together with our permitted production and sale of carbon paper, ribbons and other office supplies, should utilize our full manufacturing facilities during the balance of our current fiscal year. Insofar as practicable, reductions have been made in expenses having to do with the normal peace time operations of the company.

We present the following condensed statement of operations for the years ended June 30, 1942, and June 30, 1941:

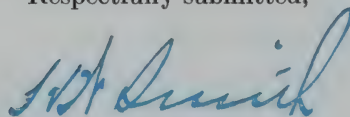
	1942	1941
Net Sales	\$18,947,801.47	\$14,905,959.03
Cost of Sales	<u>9,265,324.29</u>	<u>7,179,907.01</u>
Gross Profit on Sales	9,682,477.18	7,726,052.02
Selling, General and Administrative Expenses	<u>5,565,447.24</u>	<u>5,410,285.50</u>
Net Profit from Operations, before Depreciation and Amortization	4,117,029.94	2,315,766.52
Provision for Depreciation and Amortization	<u>150,170.74</u>	<u>148,612.98</u>
Net Profit from Operations	3,966,859.20	2,167,153.54
Other Income	<u>84,180.19</u>	<u>72,860.94</u>
	<u>4,051,039.39</u>	<u>2,240,014.48</u>
<i>Other Deductions</i>		
Interest on Funded Debt	41,416.68	47,420.12
Other Interest	604.73	6,625.79
Provision for Doubtful Accounts Less Recoveries	8,530.75	40,038.94
Foreign Exchange Loss	11,704.49	41,363.10
Addition to Reserve for Future Exchange Losses	10,370.92	
Royalties	43,560.40	36,991.97
Amortization of Bond Issue Expense	14,749.53	49,118.72
Provision for Estimated Loss on Disposal of Excess Inventories	48,150.69	

Miscellaneous	30,893.96	22,803.74
	<u>209,982.15</u>	<u>244,362.38</u>
Net Income, before Provision for Income Taxes	3,841,057.24	1,995,652.10
<i>Provision for United States and Foreign Income Taxes:</i>		
<i>United States:</i>		
<i>Provision under Law in Effect at June 30, 1942 and 1941</i>		
Normal Income Tax	615,766.08	487,674.78
Excess Profits Tax	1,568,795.54	314,019.69
Additional Provision Based on Revenue Bills Adopted by House of Representatives July 20, 1942 and August 4, 1941 .	297,784.95	138,139.31
Foreign Income and Excess Profits Taxes	31,531.50	20,777.69
	<u>2,513,878.07</u>	<u>960,611.47</u>
Net Income Transferred to Earned Surplus	<u>\$ 1,327,179.17</u>	<u>\$ 1,035,040.63</u>

It will be noted from the above statement that the total income tax provided for the year ended June 30, 1942, exclusive of other taxes, amounted to \$2,513,878.07, as compared to \$960,611.47 for the previous year.

In conclusion, your Company is using all its resources to carry out its part in the country's war effort. Under existing circumstances and restrictions, little information can be given at present concerning our part in this program. However, with the splendid cooperation of a loyal and efficient organization, we are confident that we shall discharge the responsibilities which have been delegated to us.

Respectfully submitted,



September 14, 1942.

President.

CONSOLIDATED BALANCE

Assets

Cash in Banks and on Hand		\$3,215,125.30
United States Treasury and War Bonds—At Cost (Market or Redeemable Value \$174,000).		175,013.05
Dominion of Canada War Bonds—At Cost (Redeemable Value \$6,295.04)		6,295.04
Accounts and Notes Receivable—Trade	\$3,358,048.34	
Less Reserve for Uncollectible	149,849.56	3,208,198.78
Accounts Receivable—Other (Less Reserves)		301,518.56
Inventories (At Lower of Cost or Market and After Provision for Obsolescence)		3,297,170.23
Total Current Assets		10,203,320.96
<i>Non Current Receivables and Investments</i>		
<i>Accounts and Notes</i>		
Officers and Employees (Less Re- serves)	6,077.92	
Others (Less Reserves)	1,999.92	
Mortgages and Real Estate Contracts Receivable	8,405.97	
Investment in Real Estate (Less De- preciation)	37,997.05	
Sundry Investments	5,923.13	60,403.99
Plant and Equipment—At Cost*	5,177,854.19	
Less Reserve for Depreciation	3,524,336.69	1,653,517.50
Patents Subject to Amortization		7,018.59
Cash Deposited With Trustees for Redemption of Corona Typewriter Company Preferred Stock		110.89
Prepaid Expenses and Deferred Charges		351,924.67
Goodwill, Trade Marks and Formulae		947,965.09

TOTAL ASSETS. \$13,224,261.69

*Represents cost to predecessor corporations and cost to Corporation and subsidiary companies for subsequent acquisitions.

The above statement includes current assets and current liabilities of the British subsidiary company in the net amount of \$62,086.89 and of the Canadian subsidiary company in the net amount of \$398,911.75 (both converted at official exchange rates). Assets of the foreign subsidiaries other than current assets are included in the amount of \$25,464.97.

SHEET • JUNE 30, 1942

Liabilities

Accounts Payable—Trade	\$	264,504.79
Accounts Payable—Other		121,165.28
Dividends Payable		159,098.66
L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures, Due November 1, 1942, Interest Rate 2%		175,000.00
Accrued Federal Income and Excess Profits Taxes.	\$2,288,121.45	
Deduct United States Treasury Tax Savings Notes Dated January 1, 1942 (Face \$101,200. Plus Interest)	101,451.52	2,186,669.93
Accrued Foreign Income and Excess Profits Taxes		31,531.50
Accrued Taxes and Expenses—Other		526,630.68
Coupon Book and Inspection Contract Liability		183,588.95
Total Current Liabilities.		3,648,189.79
Ten Year Serial Debentures—Payable \$175,000 An- nually on November 1, 1943 to 1950, Inclusive, Interest Rate on Debentures Maturing to and In- cluding November 1, 1945, 2%—On Subsequent Maturities, 3%		1,400,000.00
Reserve for Redemption of Corona Typewriter Company Preferred Stock.		100.00
TOTAL LIABILITIES	\$	5,048,289.79
Reserve for Branch Office Fire Insurance		50,167.90
Reserve for Future Losses on Foreign Exchange		68,540.87
Capital Stock		
\$6 Cumulative Preferred, No Par— Authorized 30,000 Shares—Issued and Outstanding 13,023-11/11 Shares—Less 75 Shares in Treasury	949,593.34	
Common, No Par—Authorized 350,- 000 Shares—Issued and Outstand- ing 276,281 Shares—Less 44 Shares in Treasury	3,541,190.66	4,490,784.00
Capital Surplus.		583,249.66
Earned Surplus (Accumulated Since May 31, 1934)		2,983,229.47
		<u>\$13,224,261.69</u>

Accrued Federal Income and Excess Profits Taxes for the year ended June 30, 1942, consist of the liability under the law in effect at that date, plus the estimated additional amount which would be payable under the provisions of the revenue bill adopted by the House of Representatives on July 20, 1942.

Due to orders of the War Production Board restricting the manufacture and sale of typewriters and other office equipment, a substantial proportion of the Corporation's facilities has been converted to war work. It is impossible to foresee the future results of Branch Office operations, but the Corporation has put into effect drastic economies in their operation. No reserves have been set up in the above statements for possible losses which may arise out of the changed basis of operation.

L C SMITH & CORONA TYPEWRITERS INCOR

Consolidated Statement of Operations

Year Ended June 30, 1942

Net Sales	\$18,947,801.47
Cost of Sales	<u>9,265,324.29</u>
Gross Profit on Sales	9,682,477.18
Selling, General and Administrative Expenses	<u>5,565,447.24</u>
Net Profit from Operations, Before Depreciation and Amortization	4,117,029.94
Provision for Depreciation and Amortization	<u>150,170.74</u>
Net Profit from Operations	3,966,859.20
Other Income	<u>84,180.19</u>
	<u>4,051,039.39</u>

Other Deductions

Interest on Funded Debt	\$ 41,416.68	
Other Interest	604.73	
Provision for Doubtful Accounts—		
Less Recoveries	8,530.75	
Foreign Exchange Loss	11,704.49	
Addition to Reserve for Future Exchange Losses	10,370.92	
Royalties	43,560.40	
Amortization of Bond Issue Expense	14,749.53	
Provision for Estimated Loss on Disposal of Excess Inventories	48,150.69	
Miscellaneous	<u>30,893.96</u>	<u>209,982.15</u>

Net Income, Before Provision for Income Taxes 3,841,057.24

Provision for United States and Foreign Income Taxes

United States

Provision Under Law in Effect at June 30, 1942

Normal Income Tax	615,766.08	
Excess Profits Tax	1,568,795.54	
Additional Provision Based on Revenue Bill Adopted by House of Representatives July 20, 1942	297,784.95	
Foreign Income and Excess Profits Taxes	<u>31,531.50</u>	<u>2,513,878.07</u>

NET INCOME TRANSFERRED TO
EARNED SURPLUS. \$ 1,327,179.17

Notes

Net income includes \$4,656.21 representing net income of the British subsidiary company and \$49,232.56 representing net income of the Canadian subsidiary company (conversion at official rates, except as to depreciation).

Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in Selling, General and Administrative Expense.

Statement of Consolidated Earned Surplus

Year Ended June 30, 1942

Earned Surplus, July 1, 1941	\$2,356,769.52
Add Net Income, Year Ended June 30, 1942	<u>1,327,179.17</u>
	3,683,948.69

Deduct

Adjustment of Federal, State and	
Foreign Taxes—Prior Years \$	1,497.97

Dividends Paid and Declared

Common Stock . . . \$621,533.25		
Preferred Stock. . . <u>77,688.00</u>	<u>699,221.25</u>	<u>700,719.22</u>

CONSOLIDATED EARNED

SURPLUS, June 30, 1942	<u><u>\$2,983,229.47</u></u>
----------------------------------	------------------------------

Note

Consolidated Earned Surplus of \$2,983,229.47 includes \$55,005.02 representing earned surplus of the Canadian subsidiary and is stated after the reduction of an amount of \$105,167.98 representing the deficit in earned surplus of the British subsidiary.



Statement of Consolidated Capital Surplus

Year Ended June 30, 1942

Balance, July 1, 1941 and June 30, 1942	<u><u>\$ 583,249.66</u></u>
---	-----------------------------

HURDMAN AND CRANSTOUN

Certified Public Accountants

350 Madison Avenue

New York City

To the Board of Directors,

L C Smith & Corona Typewriters Inc
Syracuse, New York.

We have examined the balance sheet of L C Smith & Corona Typewriters Inc and certain of its subsidiary companies consolidated as of June 30, 1942, and the statements of operations and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and its United States subsidiary companies and other supporting evidence, by methods and to the extent we deemed appropriate. In our opinion, our examination was made in accordance with generally accepted accounting standards applicable in the circumstances, and included all procedures which we considered necessary, except that because of the necessity of continuing plant operation to speed war production, no physical inventories were taken as of June 30th of work in process at the Syracuse Plant relating to the Company's regular products nor of materials and supplies and work in process for defense contracts (against which contracts no significant deliveries had been made) at two plants.

With respect to the total amounts included in the statement figures for work in process, material, and supplies not supported by physical inventories (which amounts represented approximately 17% of all inventories), the Corporation maintains and controls cost and stores records which we found adequate. Purchase records, stores records and production records supporting such inventories were examined and in our opinion the substantial correctness of the amounts was confirmed.

The accounts of the Canadian subsidiary were examined under our direction and supervision by Canadian auditors. Audited statements of the British subsidiary company were not received at the date of preparation of the consolidated statements herein, and the Corporation's unaudited statements were used for purposes of consolidation. However, confirmation of net income and provision for income taxes for the year to June 30, 1942 and deficit in earned surplus at that date was obtained by cable from the British auditors.

Subject to the reservation set forth in the previous paragraph with respect to the British subsidiary whose assets and liabilities form less than 2% of those included in the consolidated balance sheet, in our opinion the accompanying balance sheet and related statements of operations and surplus present fairly the consolidated financial position of L C Smith & Corona Typewriters Inc and subsidiary companies at June 30, 1942, and the consolidated results of operations for the fiscal year, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year.

HURDMAN AND CRANSTOUN

Certified Public Accountants

September 8, 1942.

L C Smith & Corona Typewriters Inc



OFFICERS

HURLBUT W. SMITH	<i>Chairman of the Board</i>
HURLBUT W. SMITH	<i>Chairman of the Executive Committee</i>
HURLBUT W. SMITH	<i>President and Treasurer</i>
ELWYN L. SMITH	<i>Assistant to the President</i>
CARLETON F. BROWN	<i>Vice-President</i>
SCHUYLER C. STIVERS	<i>Vice-President and Secretary</i>
WARREN L. HOAGLAND	<i>Vice-President</i>
VICTOR H. DAVIDSON	<i>Vice-President</i>
JAMES M. MCCORMICK	<i>Vice-President</i>
DUNCAN K. VAN CLEEF	<i>Comptroller and Asst. Treasurer</i>
ELWYN L. SMITH	<i>Asst. Treasurer and Asst. Secretary</i>
MERCER V. WHITE, JR.	<i>Assistant Comptroller</i>
JOHN M. CLARE	<i>Asst. Treasurer and Asst. Secretary</i>
WALTER L. SMITH	<i>Assistant Treasurer</i>
EDWARD J. EMENY	<i>Asst. Treasurer and Asst. Secretary</i>
SARA M. McDONALD	<i>Asst. Treasurer and Asst. Secretary</i>

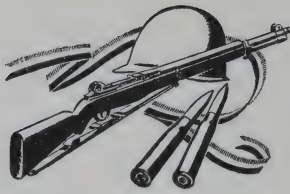
EXECUTIVE COMMITTEE FINANCE COMMITTEE

Hurlbut W. Smith, <i>Chairman</i>	Harry W. Davies, <i>Chairman</i>
Harry W. Davies	Hurlbut W. Smith
William A. Mackenzie	Elwyn L. Smith
Elwyn L. Smith	William A. Mackenzie
Lewis P. Smith	
Samuel G. H. Turner	
William von Phul	

DIRECTORS

Basil B. Aylesworth	Harvey M. Smith
Carleton F. Brown	Hurlbut W. Smith
Harry W. Davies	Lewis P. Smith
Theodore S. Kenyon	Louis P. Smith
William A. Mackenzie	Wilbert A. Smith
E. Clarence Miller	Schuyler C. Stivers
Will L. Seeley	Samuel G. H. Turner
Elwyn L. Smith	William von Phul

It is with deep regret that we report the death of Mr. S. Eugene Miller, who was for many years an officer and director of the Company, and who contributed unselfishly of his time and experience in promoting its welfare.



War production entrusted to us is precision work calling for craftsmanship of the highest order . . . skill won through many years of making America's finest portable and office typewriters.

338.7
Sm 615
1940/41



Annual Report

L C Smith & Corona Typewriters Inc
Syracuse New York

LIBRARY OF THE
AUG 27 1951

UNIVERSITY OF ILLINOIS

FOR THE YEAR ENDED JUNE THIRTIETH NINETEEN HUNDRED FORTY-ONE

338.7
Sm 615
1940/41

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

FOREIGN SUBSIDIARIES

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England

L C Smith & Corona Schreibmaschinen G. m. b. H., Berlin, Germany



FACTORIES:

SYRACUSE, N. Y.

GROTON, N. Y.

CORTLAND, N. Y.

AURORA, ILL.

Products

SILENT SUPER-SPEED L C SMITH

SUPER-SPEED L C SMITH

CORONA SPEEDLINE SILENT

CORONA SPEEDLINE STERLING

CORONA SPEEDLINE STANDARD

CORONA COMET DELUXE

CORONA ZEPHYR DELUXE

CORONA ZEPHYR

CORONA ADDING MACHINE

CORONA CASHIER

VIVID DUPLICATING MACHINES

AND SUPPLIES

TYPEBAR BRAND RIBBONS, CARBONS,
AND SUPPLIES

27 Aug 51
g. Business records lib
1940/41, 1942/43 Cont. R. 111

To the Stockholders

HEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its subsidiaries as of June 30, 1941, together with a Consolidated Statement of Operations, Earned Surplus and Capital Surplus as of that date.

Operations for the year ended June 30, 1941 resulted in a net income of \$1,035,040.63 after provision for Federal income tax and excess profits tax. The excess profits tax was computed under the law in effect at June 30, 1941, plus the estimated additional amount applicable to the period under the provision of the Revenue bill adopted by the House of Representatives on August 4, 1941. The excess profits tax and the additional tax necessitated by the above-mentioned House bill amounted to \$452,159.00. The net profit of \$1,035,040.63 when compared with the net profit for the previous year of \$326,357.14 shows a net increase of \$708,683.49.

In addition to the taxes mentioned above, the corporation expended for the year ended June 30, 1941 for other taxes such as unemployment tax, capital stock tax, and sales tax, \$424,268.98, which same taxes amounted to \$376,521.99 in the previous year.

After paying dividends on the preferred stock of \$78,138.00, which includes the July 1, 1941 quarterly dividend, the remaining net income was equivalent to approximately \$3.46 a share on 276,237 shares of common stock outstanding as of June 30, 1941, as compared with \$.90 a share during the previous year. This comparison is made after the provision for unrealized exchange loss on conversion of net assets of the Canadian subsidiary.

The Company has continued the practice of not taking the unrealized profit on foreign exchange into operations, and it is shown as a reserve on the balance sheet; however, we have not reduced this reserve by the provision for unrealized exchange loss on conversion of net assets of the Canadian subsidiary, but have shown this amount as a deduction from operations.

The current position at the close of the three years ended June 30, 1941 is set forth as follows:

	<i>Current Assets</i>	<i>Current Liabilities</i>	<i>Net Current Assets</i>	<i>Ratio</i>
June 30, 1941	\$8,555,373	\$2,337,953	\$6,217,420	3.66 to 1
June 30, 1940	6,843,158	1,882,317	4,960,841	3.64 to 1
June 30, 1939	6,677,774	1,629,393	5,048,381	4.10 to 1

Your company is endeavoring by its best efforts to cooperate with the Federal Government in the defense program, and to this end has during the past year used some of its facilities in the manufacture of defense products.

We present the following Consolidated Statement of Operations for the years ended June 30, 1941 and June 30, 1940:

	1941	1940
Net Sales	\$14,905,959.03	\$11,173,073.12
Cost of Sales	<u>7,179,907.01</u>	<u>5,411,602.96</u>
Gross Profit on Sales	7,726,052.02	5,761,470.16
Selling, General and Administrative Expenses	<u>5,410,285.50</u>	<u>4,955,800.90</u>
Net Profit from Operations, before Depreciation and Amortization	2,315,766.52	805,669.26
Provision for Depreciation and Amortization	<u>148,612.98</u>	<u>150,417.62</u>
Net Profit from Operations . .	2,167,153.54	655,251.64
Other Income	<u>72,860.94</u>	<u>72,958.63</u>
	<u>2,240,014.48</u>	<u>728,210.27</u>
<i>Other Deductions</i>		
Interest on Funded Debt . . .	47,420.12	49,437.50
Other Interest	6,625.79	12,309.21
Provision for Doubtful Accounts		
Less Recoveries	40,038.94	53,526.29
Foreign Exchange Loss . . .	39,250.39	55,771.77
Royalties	36,991.97	29,580.02
Amortization of Bond Issue Expense	49,118.72	14,324.37
Miscellaneous	<u>22,803.74</u>	<u>21,062.64</u>
	<u>242,249.67</u>	<u>236,011.80</u>
Net Income, before Provision for Income Taxes and Deduction for Unrealized Exchange Loss on Conversion of Net Assets of Canadian Subsidiary Company	<u>1,997,764.81</u>	<u>492,198.47</u>

*Provision for United States and
Foreign Income Taxes:*

United States:

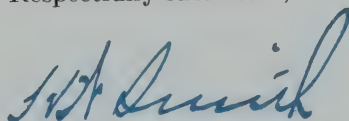
*Provision under Law in Effect at
June 30, 1941*

Normal Income Tax	487,674.78	82,598.85
Excess Profits Tax	314,019.69	
Additional Provision Based on Revenue Bill Adopted by House of Representatives August 4, 1941	138,139.31	
Foreign Income and Excess Profits Taxes	20,777.69	43,380.44
	<u>960,611.47</u>	<u>125,979.29</u>
Net Income, Before Deduction for Unrealized Exchange Loss on Conversion of Net Assets of Canadian Subsidiary Company	1,037,153.34	366,219.18
Unrealized Exchange Loss on Con- version of Net Assets of Cana- dian Subsidiary Company	<u>2,112.71</u>	<u>39,862.04</u>
Net Balance Transferred to Earned Surplus	<u>\$ 1,035,040.63</u>	<u>\$ 326,357.14</u>

It will be noted from the above statement that the total income taxes provided for the year ended June 30, 1941 exclusive of other taxes amounted to \$960,611.47, as compared to \$125,979.29 for the previous year.

As in the past, the management of the company has had the loyal cooperation of a capable organization, and full appreciation is expressed for their efficient efforts which contributed so largely to the favorable results of the past year.

Respectfully submitted,



September 10, 1941.

President.

CONSOLIDATED BALANCE

Assets

Cash in Banks and on Hand	\$1,561,176.06
Accounts and Notes Receivable—Trade \$3,440,558.26	
Less Reserve for Uncollectible	<u>175,020.14</u>
	3,265,538.12
Accounts Receivable—Other (Less Reserves)	16,731.81
Inventories (At Lower of Cost or Market and After	
Provision for Obsolescence)	<u>3,711,927.25</u>
Total Current Assets	<u>8,555,373.24</u>

Non Current Receivables and Investments

Accounts and Notes

Officers and Employees (Less Reserves)	11,147.04
Others (Less Reserves)	2,375.54
Mortgages and Real Estate Contracts Receivable	8,813.37
Investment in Real Estate (Less Depreciation)	44,615.31
Sundry Investments	12,998.76
Plant and Equipment—At Cost*	5,034,921.02
Less Reserve for Depreciation	<u>3,420,646.93</u>
	1,614,274.09
Patents Subject to Amortization	8,114.38
Cash Deposited With Trustees for Redemption of	
Corona Typewriter Company Preferred Stock	110.89
Prepaid Expenses and Deferred Charges	241,429.82
Goodwill, Trade Marks and Formulae	950,465.09

TOTAL ASSETS. \$11,449,717.53

*Represents cost to predecessor corporations and cost to Corporation and subsidiary companies for subsequent acquisitions.

The above statement includes current assets and current liabilities of the British subsidiary company in the net amount of \$53,397.98 and of the Canadian subsidiary company in the net amount of \$384,625.53 (both converted at official exchange rates). Assets of the foreign subsidiaries other than current assets are included in the amount of \$35,418.01.

SHEET • JUNE 30, 1941

Liabilities

Accounts Payable—Trade	\$ 262,803.42
Accounts Payable—Other	32,103.54
Dividends Payable	158,013.47
L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures Issue of 1936—Called for Redemption on January 1, 1941	\$ 21,300.00
Less Funds Deposited With Trustee for Redemption	<u>21,300.00</u>
Issue of 1940, Due November 1, 1941, Interest Rate 2%	175,000.00
Accrued Taxes and Other Expenses	1,564,266.39
Coupon Book and Inspection Contract Liability	<u>145,766.14</u>
Total Current Liabilities.	2,337,952.96
Ten Year Serial Debentures, Issue of 1940—Payable \$175,000 Annually on November 1st from 1942 to 1950, Inclusive, Interest Rate on Debentures Maturing to November 1, 1945, Inclusive, 2%, on Subse- quent Maturities 3%	1,575,000.00
Reserve for Redemption of Corona Typewriter Company Preferred Stock.	<u>100.00</u>
TOTAL LIABILITIES	\$3,913,052.96
Reserve for Branch Office Fire Insurance	50,167.90
Reserve for Future Losses on Foreign Exchange	55,693.49
<i>Capital Stock</i>	
\$6 Cumulative Preferred, No Par— Authorized 30,000 Shares—Issued and Outstanding 13,023-11/11 Shares— Less 75 Shares in Treasury.	949,593.34
Common, No Par—Authorized 350,000 Shares—Issued and Outstanding 276,- 281 Shares—Less 44 Shares in Treas- ury	<u>3,541,190.66</u>
Capital Surplus.	583,249.66
Earned Surplus (Accumulated Since May 31, 1934)	<u>2,356,769.52</u>
	<u>\$11,449,717.53</u>

Accrued Taxes and Other Expenses include Income and Excess Profits Taxes for the year ended June 30, 1941 under the law in effect at that date, plus the estimated additional amount applicable to the period under the provisions of the revenue bill adopted by the House of Representatives on August 4, 1941.

L C SMITH & CORONA TYPEWRITERS INCOR

Consolidated Statement of Operations

Year Ended June 30, 1941

Net Sales	\$14,905,959.03
Cost of Sales	7,179,907.01
Gross Profit on Sales	7,726,052.02
Selling, General and Administrative Expenses	5,410,285.50
Net Profit from Operations, Before Depreciation and Amortization	2,315,766.52
Provision for Depreciation and Amortization	148,612.98
Net Profit from Operations	2,167,153.54
Other Income	72,860.94
	<u>2,240,014.48</u>

Other Deductions

Interest on Funded Debt	\$ 47,420.12	
Other Interest	6,625.79	
Provision for Doubtful Accounts		
Less Recoveries	40,038.94	
Foreign Exchange Loss	39,250.39	
Royalties	36,991.97	
Amortization of Bond Issue Expense	49,118.72	
Miscellaneous	22,803.74	242,249.67
Net Income, Before Provision for Income Taxes and Deduction for Unrealized Exchange Loss on Conversion of Net Assets of Canadian Sub- sidiary Company		<u>1,997,764.81</u>

Provision for United States and Foreign Income Taxes

United States

Provision Under Law in Effect at June 30, 1941

Normal Income Tax	487,674.78	
Excess Profits Tax	314,019.69	
Additional Provision Based on Rev- enue Bill Adopted by House of Representatives August 4, 1941.	138,139.31	
Foreign Income and Excess Profits Taxes	20,777.69	960,611.47
Net Income, Before Deduction for Unrealized Ex- change Loss on Conversion of Net Assets of Canadian Subsidiary Company		<u>1,037,153.34</u>
Unrealized Exchange Loss on Conversion of Net Assets of Canadian Subsidiary Company.		<u>2,112.71</u>
NET BALANCE TRANSFERRED TO EARNED SURPLUS.		<u>\$1,035,040.63</u>

Notes

Net income before deduction for unrealized exchange loss includes \$10,626.37 representing net income of the British subsidiary company and \$12,790.49 representing net income of the Canadian subsidiary company (Conversion at official rates, except as to depreciation).

Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in Selling, General and Administrative Expenses.

Statement of Consolidated Earned Surplus

Year Ended June 30, 1941

Earned Surplus, July 1, 1940 \$1,675,099.86

Add

Adjustment of Federal, State and Foreign Taxes—	
Prior Years	15,982.67
Net Income, Year Ended June 30, 1941	<u>1,035,040.63</u>
	2,726,123.16

Deduct

Premium on Ten Year Serial Debentures, Issue of 1936—Called for Redemption on January 1, 1941. . . . \$ 13,125.00

Cost of 75 Shares of Preferred Stock of L C Smith & Corona Typewriters Inc in Excess of Stated Value on the Books 1,962.50

Dividends Paid and Declared

Common Stock \$ 276,240.64	
Preferred Stock. . . . 78,025.50	354,266.14
	<u>369,353.64</u>
EARNED SURPLUS, June 30, 1941	<u><u>\$2,356,769.52</u></u>



Statement of Consolidated Capital Surplus

Year Ended June 30, 1941

Balance, July 1, 1940 and June 30, 1941 \$ 583,249.66

HURDMAN AND CRANSTOUN

Certified Public Accountants

350 Madison Avenue

New York City

To the Board of Directors,

L C Smith & Corona Typewriters Inc
Syracuse, New York.

We have examined the balance sheet of L C Smith & Corona Typewriters Inc and certain of its subsidiary companies consolidated as of June 30, 1941, and the statements of operations and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the Companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and its United States subsidiary companies and other supporting evidence, by methods and to the extent we deemed appropriate. In our opinion, our examination was made in accordance with generally accepted accounting standards applicable in the circumstances, and included all procedures which we considered necessary.

The accounts of the Canadian subsidiary were examined under our direction and supervision by Canadian auditors.

In our opinion, relying on the statements of other auditors in respect to the British subsidiary, the accompanying balance sheet and related statements of operations and surplus present fairly the consolidated financial position of L C Smith & Corona Typewriters Inc and subsidiary companies at June 30, 1941, and the consolidated results of operations for the fiscal year, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year.

HURDMAN AND CRANSTOUN

Certified Public Accountants

September 4, 1941.

L C Smith & Corona Typewriters Inc



OFFICERS

HURLBUT W. SMITH	<i>Chairman of the Board</i>
HURLBUT W. SMITH	<i>Chairman of the Executive Committee</i>
HURLBUT W. SMITH	<i>President and Treasurer</i>
ELWYN L. SMITH	<i>Assistant to the President</i>
CARLETON F. BROWN	<i>Vice-President</i>
SCHUYLER C. STIVERS	<i>Vice-President and Secretary</i>
S. EUGENE MILLER	<i>Vice-President</i>
WARREN L. HOAGLAND	<i>Vice-President</i>
VICTOR H. DAVIDSON	<i>Vice-President</i>
JAMES B. MCCORMICK	<i>Vice-President</i>
DUNCAN K. VAN CLEEF	<i>Comptroller and Asst. Treasurer</i>
ELWYN L. SMITH	<i>Asst. Treasurer and Asst. Secretary</i>
MERCER V. WHITE, JR.	<i>Assistant Comptroller</i>
JOHN M. CLARE	<i>Asst. Treasurer and Asst. Secretary</i>
WALTER L. SMITH	<i>Assistant Treasurer</i>
EDWARD J. EMENY	<i>Asst. Treasurer and Asst. Secretary</i>
SARA M. McDONALD	<i>Asst. Treasurer and Asst. Secretary</i>

FINANCE COMMITTEE

Harry W. Davies, *Chairman*
Hurlbut W. Smith
Elwyn L. Smith
William A. Mackenzie

DIRECTORS

Carleton F. Brown	Hurlbut W. Smith
Harry W. Davies	Elwyn L. Smith
Theodore S. Kenyon	Harvey M. Smith
E. Clarence Miller	Lewis P. Smith
William A. Mackenzie	Wilbert A. Smith
S. Eugene Miller	Schuyler C. Stivers
William von Phul	Samuel G. H. Turner
Will L. Seeley	Louis P. Smith
Basil B. Aylesworth	

338.7
Sm 615
1939/40

FILE COPY
SEP 10 1940
BLISS, BOSTON & CO.



Annual Report

LC Smith & Corona Typewriters Inc
Syracuse New York

THE LIBRARY OF THE
JUL 20 1951
UNIVERSITY OF MICHIGAN

FOR THE YEAR ENDED JUNE THIRTIETH NINETEEN HUNDRED & FORTY

338.7
Sm 615
1933/40

L C Smith & Corona Typewriters Inc

GENERAL OFFICES: SYRACUSE, NEW YORK

L C Smith & Corona Typewriters of Canada Ltd., Toronto, Ontario

L C Smith & Corona Typewriters Ltd., London, England

L C Smith & Corona Schreibmaschinen G. m. b. H., Berlin, Germany



FACTORIES:

SYRACUSE, N. Y. GROTON, N. Y. CORTLAND, N. Y. GENEVA, N. Y. AURORA, ILL. TORONTO, ONT.

Products

SILENT SUPER-SPEED L C SMITH

SUPER-SPEED L C SMITH

CORONA SPEEDLINE SILENT

CORONA SPEEDLINE STERLING

CORONA SPEEDLINE STANDARD

DELUXE CORONA ZEPHYR

CORONA ZEPHYR

CORONA COMET

CORONA ADDING MACHINE

CORONA CASHIER

VIVID DUPLICATING MACHINES

AND SUPPLIES

TYPEBAR BRAND RIBBONS, CARBONS,
AND SUPPLIES

To the Stockholders

HEREIN is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its subsidiaries as of June 30, 1940, together with a Consolidated Statement of Operations, Earned Surplus and Capital Surplus as of that date.

Operations for the year ended June 30, 1940 resulted in a net income of \$366,219.18 after provision for Federal income taxes but before provision for unrealized exchange loss on conversion of net assets of the Canadian subsidiary amounting to \$39,862.04. This when compared with the net profit of \$344,698.67 for the previous year shows an increase in earnings of approximately \$22,000.

The New York State unemployment tax and Federal unemployment and old age benefit taxes for the year ended June 30, 1940 amounted to \$221,210.57 as compared with \$192,131.65 for the previous year. After paying dividends on the preferred stock of \$78,138, which includes the July 1, 1940 quarterly dividend, the remaining net income was equivalent to approximately \$1.04 on 276,237 shares of common stock outstanding as of June 30, 1940 as compared with \$.96 during the previous year. This comparison is made before the provision for unrealized exchange loss on conversion of net assets of the Canadian subsidiary.

The company has continued the practice of not taking the unrealized profit on foreign exchange into operations, and it is shown as a reserve on the balance sheet. However, we have not reduced this reserve by the provision for unrealized exchange loss on conversion of net assets of the Canadian subsidiary, but have shown this amount as a deduction from operations.

The current position at the close of the three years ended June 30, 1940 is set forth as follows:

	<i>Current Assets</i>	<i>Current Liabilities</i>	<i>Net Current Assets</i>	<i>Ratio</i>
June 30, 1940	\$6,843,158	\$1,882,317	\$4,960,841	3.64 to 1
June 30, 1939	6,677,774	1,629,393	5,048,381	4.10 to 1
June 30, 1938	6,786,835	1,687,852	5,098,983	4.02 to 1

Your company as in the past has maintained its experimental departments in the respective plants, where constant research is being made for the

further development and improvement of its products. As a result of this practice, new models have been produced from time to time, the most recent being the new L C Smith Silent and Standard Super-Speed models, introduced to the public last October, both of which have met with great public response, as evidenced by the fact that as of the close of the year the unfilled orders were the highest since 1918.

We present the following Consolidated Statement of Operations for the years ended June 30, 1940 and June 30, 1939:

	1940	1939
Net Sales	\$11,173,073.12	\$12,058,107.64
Cost of Sales	<u>5,411,602.96</u>	<u>6,159,097.92</u>
Gross Profit on Sales	5,761,470.16	5,899,009.72
Selling, General and Administrative Expenses	<u>4,955,800.90</u>	<u>5,196,875.26</u>
Net Profit from Operations, before Depreciation and Amortization . .	805,669.29	702,134.46
Provision for Depreciation and Amortization	<u>150,417.62</u>	<u>146,323.09</u>
Net Profit from Operations	655,251.64	555,811.37
Other Income	<u>72,958.63</u>	<u>62,165.78</u>
	<u>728,210.27</u>	<u>617,977.15</u>
<i>Other Deductions</i>		
Interest on Funded Debt	49,437.50	54,687.50
Other Interest	12,309.21	19,431.00
Provision for Doubtful Accounts		
Less Recoveries	53,526.29	36,720.89
Foreign Exchange Loss	55,771.77	17,762.86
Royalties	29,580.02	24,293.68
Amortization of Bond Issue Expense	14,324.37	16,370.71
Miscellaneous	<u>21,062.64</u>	<u>20,250.57</u>
	<u>236,011.80</u>	<u>189,517.21</u>

Net Income Before Provision for Income Taxes and Deduction for Unrealized Exchange Loss on Con- version of Net Assets of Canadian Subsidiary Company	492,198.47	428,459.94
Provision for United States and For- eign Income Taxes	<u>125,979.29</u>	<u>83,761.27</u>
Net Income, Before Deduction for Unrealized Exchange Loss on Con- version of Net Assets of Canadian Subsidiary Company	366,219.18	344,698.67
Unrealized Exchange Loss on Con- version of Net Assets of Canadian Subsidiary Company	<u>39,862.04</u>	<u> </u>
Net Balance Transferred to Earned Surplus	<u>\$ 326,357.14</u>	<u>\$ 344,698.67</u>

While it is noted that there has been a slight increase in the net income for the year ended June 30, 1940 over 1939, it is gratifying to report that the six months ended June 30, 1940 resulted in a net income of \$304,392.08, after provision for income taxes, as compared to \$164,259.99 for the six months ended June 30, 1939. With this trend, and with unfilled orders the highest since 1918, the outlook for the fiscal year ending June 30, 1941 is most encouraging.

Grateful acknowledgement is made of the substantial contribution to the successful year by the officers, managers and employees.

Respectfully submitted,



September 4, 1940

President.

CONSOLIDATED BALANCE

Assets

Cash in Banks and on Hand	\$ 518,895.41
Accounts and Notes Receivable—Trade \$2,896,284.38	
Less Reserve for Uncollectible . . . 197,057.01	2,699,227.37
Accounts Receivable—Other (Less Reserves)	25,709.27
Inventories (At Lower of Cost or Market and After Provision for Obsolescence)	3,599,325.47
Total Current Assets	6,843,157.52

*Non Current Receivables and Investments**Accounts and Notes*

Officers and Employees (Less Reserves)	7,679.99
Others (Less Reserves)	1,046.66
Mortgages and Real Estate Contracts Receivable	10,855.04
Investment in Real Estate (Less Depreciation)	51,233.57
Sundry Investments	18,495.99
Prepaid Expenses and Deferred Charges	230,718.57
Plant and Equipment—At Cost 4,973,929.63	
Less Reserve for Depreciation . . . 3,310,850.42	1,663,079.21
Goodwill, Trade Marks and Formulae	950,465.09
Patents Subject to Amortization	9,210.17
Cash Deposited With Trustees for Redemption of Corona Typewriter Company Preferred Stock	110.89

TOTAL ASSETS \$9,786,052.70

The above statement includes current assets and current liabilities of the British subsidiary company in the net amount of \$191,942.01 and of the Canadian subsidiary company in the net amount of \$313,151.70. Assets of the foreign subsidiaries other than current assets are included in the amount of \$40,294.80.

SHEET • JUNE 30, 1940

Liabilities

Notes Payable—Banks	\$ 900,000.00
Accounts Payable—Trade	128,202.94
Accounts Payable—Other	20,724.49
Dividends Payable	54,333.10

L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures, Due July 1, 1940, Interest Rate 3½%	\$ 175,000.00
Less Funds Deposited With Trustee for Redemption	175,000.00
Accrued Taxes and Other Expenses	641,512.55
Coupon Book and Inspection Contract Liability	137,544.02
Total Current Liabilities	1,882,317.10

Ten Year Serial Debentures

<i>Principal</i>	<i>Interest</i>	<i>Maturity</i>	
\$ 175,000	3½%	July 1, 1941	
175,000	4	" 1, 1942	
175,000	4	" 1, 1943	
175,000	4¼	" 1, 1944	
175,000	4½	" 1, 1945	
175,000	4½	" 1, 1946	
<u>\$1,050,000</u>			1,050,000.00

Reserve for Redemption of Corona Typewriter Company Preferred Stock	100.00
TOTAL LIABILITIES	\$2,932,417.10

Reserve for Branch Office Fire Insurance	47,942.26
Reserve for Future Losses on Foreign Exchange	51,059.82

Capital Stock

\$6 Cumulative Preferred, No Par— Authorized 30,000 Shares—Issued and Outstanding 13,023-11/11 Shares	955,093.34	
Common, No Par — Authorized 350,000 Shares—Issued and Out- standing 276,281 Shares—Less 44 Shares in Treasury	3,541,190.66	4,496,284.00
Capital Surplus		583,249.66
Earned Surplus (Accumulated Since May 31, 1934)		1,675,099.86
		<u>\$9,786,052.70</u>

L C SMITH & CORONA TYPEWRITERS INCOR

Consolidated Statement of Operations

Year Ended June 30, 1940

Net Sales	\$11,173,073.12
Cost of Sales	<u>5,411,602.96</u>
Gross Profit on Sales	5,761,470.16
Selling, General and Administrative Expense	<u>4,955,800.90</u>
Net Profit from Operations, Before Depreciation and Amortization	805,669.26
Provision for Depreciation and Amortization	<u>150,417.62</u>
Net Profit from Operations	655,251.64
Other Income	<u>72,958.63</u>
	<u>728,210.27</u>

Other Deductions

Interest on Funded Debt	\$49,437.50
Other Interest	12,309.21
Provision for Doubtful Accounts, Less Recoveries	53,526.29
Foreign Exchange Loss	55,771.77
Royalties	29,580.02
Amortization of Bond Issue Expense	14,324.37
Miscellaneous	<u>21,062.64</u>
	<u>236,011.80</u>
Net Income, Before Provision for Income Taxes and Deduction for Unrealized Exchange Loss on Conversion of Net Assets of Canadian Subsidiary Company	492,198.47
Provision for United States and Foreign Income Taxes	<u>125,979.29</u>
Net Income, Before Deduction for Unrealized Exchange Loss on Conversion of Net Assets of Canadian Subsidiary Company	366,219.18
Unrealized Exchange Loss on Conversion of Net Assets of Canadian Subsidiary Company	<u>39,862.04</u>
NET BALANCE TRANSFERRED TO EARNED SURPLUS	<u>\$ 326,357.14</u>

Notes

Net income before deduction for unrealized exchange loss includes \$15,566.72 representing net income of the British subsidiary company and \$23,550.85 representing net income of the Canadian subsidiary company.

Sales include service sales and rentals of typewriters and other equipment, part of the cost of which is included in Selling, General and Administrative Expense.

PORATED AND SUBSIDIARY COMPANIES

Statement of Consolidated Earned Surplus

Year Ended June 30, 1940

Earned Surplus, July 1, 1939	\$1,662,877.47
Add Net Income, Year Ended June 30, 1940	<u>326,357.14</u>
	1,989,234.61

Deduct

Adjustment of Federal and State Taxes—		
Prior Years	\$ 7,119.75	
Provision for Write-off of Investment		
in German Subsidiary Company	90,751.18	
Dividends	<u>216,263.82</u>	314,134.75
EARNED SURPLUS, June 30, 1940		<u><u>\$1,675,099.86</u></u>

Statement of Consolidated Capital Surplus

Year Ended June 30, 1940

Balance, July 1, 1939 and June 30, 1940	<u><u>\$583,249.66</u></u>
---	----------------------------

HURDMAN AND CRANSTOUN

Certified Public Accountants

350 Madison Avenue

New York City

L C Smith & Corona Typewriters Inc
Syracuse, New York.

We have made an examination of the balance sheet of L C Smith & Corona Typewriters Inc and certain of its subsidiaries as at June 30, 1940, and of the consolidated statements of operations and of surplus for the year ended June 30, 1940, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and its United States subsidiaries and other supporting evidence, by methods and to the extent we deemed appropriate.

The accounts of the Canadian subsidiary were examined under our direction and supervision by Canadian auditors.

In our opinion, relying on the statements of other auditors in respect to the British subsidiary, the accompanying balance sheet and related statements of operations and surplus present fairly the consolidated financial position of L C Smith & Corona Typewriters Inc and subsidiaries at June 30, 1940, and the consolidated results of operations for the fiscal year, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year.

HURDMAN AND CRANSTOUN

Certified Public Accountants

September 3, 1940

L C Smith & Corona Typewriters Inc



OFFICERS

HURLBUT W. SMITH	<i>Chairman of the Board</i>
HURLBUT W. SMITH	<i>Chairman of the Executive Committee</i>
HURLBUT W. SMITH	<i>President and Treasurer</i>
ELWYN L. SMITH	<i>Assistant to the President</i>
CARLETON F. BROWN	<i>Vice-President</i>
SCHUYLER C. STIVERS	<i>Vice-President and Secretary</i>
S. EUGENE MILLER	<i>Vice-President</i>
WARREN L. HOAGLAND	<i>Vice-President</i>
VICTOR H. DAVIDSON	<i>Vice-President</i>
JAMES B. MCCORMICK	<i>Vice-President</i>
DUNCAN K. VAN CLEEF	<i>Comptroller and Asst. Treasurer</i>
ELWYN L. SMITH	<i>Asst. Treasurer and Asst. Secretary</i>
MERCER V. WHITE, JR.	<i>Assistant Comptroller</i>
JOHN M. CLARE	<i>Asst. Treasurer and Asst. Secretary</i>
NELSON W. KING	<i>Assistant Treasurer</i>
EDWARD J. EMENY	<i>Asst. Treasurer and Asst. Secretary</i>
SARA M. McDONALD	<i>Asst. Treasurer and Asst. Secretary</i>

FINANCE COMMITTEE

Harry W. Davies, *Chairman*
Hurlbut W. Smith
Elwyn L. Smith
William A. Mackenzie

DIRECTORS

Carleton F. Brown	Hurlbut W. Smith
Harry W. Davies	Elwyn L. Smith
Theodore S. Kenyon	Harvey M. Smith
E. Clarence Miller	Lewis P. Smith
William A. Mackenzie	Wilbert A. Smith
S. Eugene Miller	Schuyler C. Stivers
William von Phul	Samuel G. H. Turner
William L. Seeley	Louis P. Smith
Basil B. Aylesworth	

338.7
Sms615
1938/39

ANNUAL REPORT
FOR
THE YEAR ENDED
JUNE 30, 1939



THE LIBRARY OF THE
JUL 20 1951
UNIVERSITY OF ILLINOIS



L C SMITH & CORONA
TYPEWRITERS INC
SYRACUSE, N. Y.



338.7
T-461
1939/100

L C SMITH & CORONA TYPEWRITERS INC

SYRACUSE NEW YORK

HURLBUT W SMITH
PRESIDENT

September 8, 1939

To the Stockholders:

Herein is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its subsidiaries as of June 30, 1939, together with a Consolidated Statement of Operations, Earned Surplus and Capital Surplus as of that date.

Operations for the year ended June 30, 1939 resulted in a net income of \$344,698.67 after provision for Federal income taxes. This when compared with the net profit of \$473,211.00 for the previous year shows a decrease in net earnings of approximately \$129,000.00. Due to general business conditions existing during this period we believe that the result of the year's operations can be considered as favorable.

The New York State unemployment tax and the Federal unemployment and old age benefit taxes for the year ended June 30, 1939 amounted to \$192,131.65, as compared with \$145,209.97 for the previous year.

After the dividends on preferred stock amounting to \$78,138.00, which includes the July 1, 1939 quarterly dividend, the remaining net income was equivalent to approximately \$.96 on 276,237 shares of common stock outstanding at June 30, 1939, as compared with \$1.43 per share during the previous year.

The company has continued the practice of not taking the unrealized profit on foreign exchange into operations, and it is shown as a reserve on the balance sheet.

The current position at the close of three years ended June 30, 1939 is set forth as follows:

	Current	Current	Net	
	Assets	Liabilities	Current Assets	Ratio
June 30, 1939.....	\$6,677,774	\$1,629,393	\$5,048,381	4.10 to 1
June 30, 1938.....	6,786,835	1,687,852	5,098,983	4.02 to 1
June 30, 1937.....	7,029,985	1,721,586	5,308,399	4.08 to 1

In last year's report your attention was directed to the introduction of a new line of Corona portables known as the "Corona Speedline" and the "Corona Zephyr". We are pleased to report that these new models have been well received by the public, and the company continues to enjoy a good volume of business in these machines.

Your company as in the past has maintained its experimental departments in the respective plants, where constant research is being made for the further development and improvement of its products. A result of this practice has been that during the year various improvements have been developed which have added to the usefulness of our models.

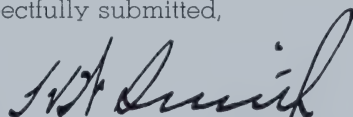
We present the following Consolidated Statement of Operations for the years ended June 30, 1939 and June 30, 1938:

CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1939 AND 1938

	1939	1938
Sales	\$12,058,107.64	\$11,914,195.84
Cost of Sales.....	6,159,097.92	5,847,982.11
Gross Profit on Sales.....	5,899,009.72	6,066,213.73
Selling, General and Administrative Expenses	5,196,875.26	5,183,033.80
Net Profit from Operations, before Depreciation	702,134.46	883,179.93
Provision for Depreciation and Amortization	146,323.09	159,705.75
Net Profit from Operations.....	555,811.37	723,474.18
Other Income.....	62,165.78	86,659.04
	617,977.15	810,133.22
Other Deductions		
Interest on Funded Debt.....	\$ 54,687.50	\$ 58,187.50
Other Interest	19,431.00	20,006.32
Provision for Doubtful Accounts		
Less Recoveries	36,720.89	25,066.40
Royalties	24,293.68	42,076.87
Amortization of Bond Issue Expense.....	16,370.71	18,417.05
Miscellaneous	38,013.43	26,933.98
	189,517.21	190,688.12
Net Income before Provision for Income Taxes	428,459.94	619,445.10
Federal Income Taxes		
Normal and Excess Profits Tax.....	77,139.62	114,440.62
Undistributed Profits Tax.....		27,287.06
Canadian Income Taxes.....	6,621.65	4,506.42
Total Taxes	83,761.27	146,234.10
NET INCOME	\$ 344,698.67	\$ 473,211.00

Throughout the past year the corporation and its subsidiaries have had the loyal cooperation of their employees, who have discharged their respective tasks with efficiency and fidelity.

Respectfully submitted,



President.

**L C SMITH AND CORONA TYPEWRITERS
CONSOLIDATED BALANCE SHEET**

ASSETS

Cash in Banks and on Hand.....	\$ 515,288.83
Accounts and Notes Receivable—Trade.....	\$2,959,086.20
Less Reserve for Uncollectible.....	177,564.74
	2,781,521.46
Accounts Receivable—Other.....	46,957.00
Inventories (At Lower of Cost or Market and After Provision for Obsolescence).....	3,334,006.95
Total Current Assets	6,677,774.24
Cash, Receivables and Inventories, Less Payables— German Subsidiary.....	99,849.48
Non Current Receivables and Investments	
Accounts and Notes	
Officers and Employees (Less Reserves).....	10,045.17
Others (Less Reserves).....	1,020.30
Mortgages and Real Estate Contracts Receivable.....	11,412.23
Investment in Real Estate (Less Depreciation).....	57,851.83
Sundry Investments.....	19,057.45
Prepaid Expenses and Deferred Charges.....	274,114.02
Plant and Equipment—At Cost.....	\$4,813,027.81
Less Reserve for Depreciation.....	3,220,358.65
	1,592,669.16
Goodwill, Patents, Trade Marks and Formulae.....	951,242.89
Patents Subject to Amortization.....	5,502.04
Cash Deposited with Trustees for Redemption of Corona Typewriter Company Preferred Stock.....	110.89

TOTAL ASSETS \$9,700,649.70

S. INC AND SUBSIDIARY COMPANIES

E SHEET—June 30, 1939

LIABILITIES

Notes Payable

Banks.....	\$500,000.00	
Commercial Paper.....	300,000.00	
		\$ 800,000.00
Accounts Payable—Trade.....		131,227.14
Accounts Payable—Other.....		17,335.85
Dividends Payable.....		19,815.13
L C Smith and Corona Typewriters, Inc (New York), Ten Year Serial Debentures, Due July 1, 1939, Interest Rate 3%.....	\$175,000.00	
Less Funds Deposited with Trustee for Redemption	175,000.00	
Accrued Taxes and Other Expenses.....		509,024.08
Coupon Book and Inspection Contract Liability.....		151,991.09
Total Current Liabilities.....		1,629,393.29
Ten Year Serial Debentures—Due Serially July 1, 1940 to July 1, 1946, Interest Rate 3½%-4½%.....		1,225,000.00*
Reserve for Redemption of Corona Typewriter Company Preferred Stock		100.00
TOTAL LIABILITIES.....		2,854,493.29
Deferred Income		519.04
Reserve for Branch Office Fire Insurance.....		39,774.30
Reserve for Unrealized Profit on Foreign Exchange.....		63,451.94

Capital Stock

\$6 Cumulative Preferred, No Par—Authorized 30,000 Shares—Issued and Outstanding 13,023 11/11 Shares.....	\$ 955,093.34	
Common, No Par—Authorized 350,000 Shares—Issued and Outstanding 276,281 Shares—Less 44 Shares in Treasury.....	3,541,190.66	
		4,496,284.00
Capital Surplus.....		583,249.66
Earned Surplus (Accumulated Since May 31, 1934).....		1,662,877.47
		<u>\$9,700,649.70</u>

*Ten-Year Serial Debentures

Principal	Interest Rate	Maturity
\$ 175,000.00	3½%	July 1, 1940
175,000.00	3½%	" 1, 1941
175,000.00	4 %	" 1, 1942
175,000.00	4 %	" 1, 1943
175,000.00	4¼%	" 1, 1944
175,000.00	4½%	" 1, 1945
175,000.00	4½%	" 1, 1946

\$1,225,000.00

**L C SMITH AND CORONA TYPEWRITERS, INC
AND SUBSIDIARY COMPANIES**

CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended June 30, 1939

Net Sales.....	\$12,058,107.64
Cost of Sales.....	6,159,097.92
	<hr/>
Gross Profit on Sales.....	5,899,009.72
Selling, General and Administrative Expense.....	5,196,875.26
	<hr/>
Net Profit from Operations, Before Depreciation....	702,134.46
Provision for Depreciation and Amortization.....	146,323.09
	<hr/>
Net Profit from Operations.....	555,811.37
Other Income.....	62,165.78
	<hr/>
	617,977.15

Other Deductions

Interest on Funded Debt.....	\$54,687.50
Other Interest.....	19,431.00
Provision for Doubtful Accounts, Less	
Recoveries	36,720.89
Royalties	24,293.68
Amortization of Bond Issue Expense.....	16,370.71
Foreign Exchange.....	17,762.86
Miscellaneous	20,250.57
	<hr/>
	189,517.21
	<hr/>
Net Income, Before Provision for Income Taxes....	428,459.94

Provision for Income Taxes

United States	\$77,139.62
Canadian	6,621.65
	<hr/>
	83,761.27

NET INCOME TRANSFERRED TO SURPLUS,

Year Ended June 30, 1939.....	<u>\$ 344,698.67</u>
-------------------------------	----------------------

NOTE

Sales include service sales and rentals of typewriters and other equipment, part of the cost of which are included in Selling, General and Administrative Expense.

**L C SMITH AND CORONA TYPEWRITERS, INC
AND SUBSIDIARY COMPANIES**

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Year Ended June 30, 1939

Earned Surplus, July 1, 1938.....\$1,607,639.92

Add

Recovery of Duty Covering Period Prior to July 1, 1938	4,527.04
Net Income, Year Ended June 30, 1939.....	344,698.67
	<hr/>
	1,956,865.63

Deduct

Adjustment of Federal and State Taxes—	
Prior Years	\$ 8,683.41
Dividends	285,304.75
	<hr/>
	293,988.16
	<hr/>
EARNED SURPLUS, June 30, 1939.....	<u>\$1,662,877.47</u>

**L C SMITH AND CORONA TYPEWRITERS, INC
AND SUBSIDIARY COMPANIES**

STATEMENT OF CONSOLIDATED CAPITAL SURPLUS

Year Ended June 30, 1939

Balance, July 1, 1938.....	\$584,027.46
----------------------------	--------------

Deduct

Amortization of Patents Covering Corona Typewriter.....	777.80
---	--------

BALANCE, June 30, 1939.....	<u>\$583,249.66</u>
-----------------------------	---------------------

HURDMAN AND CRANSTOUN

CERTIFIED PUBLIC ACCOUNTANTS

350 MADISON AVENUE

NEW YORK CITY

L C Smith and Corona Typewriters, Inc
Syracuse, New York

We have made an examination of the balance sheet of L C Smith and Corona Typewriters, Inc and certain of its subsidiaries as at June 30, 1939, and of the consolidated statements of operations and of surplus for the year ended June 30, 1939, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the company and its United States subsidiaries and other supporting evidence, by methods and to the extent we deemed appropriate.

The accounts of the Canadian subsidiary were examined under our direction and supervision by Canadian auditors.

In our opinion, relying on the statements of other auditors in respect to the British and German subsidiaries, the accompanying balance sheet and related statements of operations and surplus present fairly the consolidated financial position of L C Smith and Corona Typewriters, Inc and subsidiaries at June 30, 1939, and the consolidated results of operations for the fiscal year, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding year.

HURDMAN AND CRANSTOUN
Certified Public Accountants

September 7, 1939

L C SMITH AND CORONA TYPEWRITERS, INC

OFFICERS

Hurlbut W. Smith.....	Chairman of the Board
Hurlbut W. Smith.....	Chairman of the Executive Committee
Hurlbut W. Smith.....	President and Treasurer
Elwyn L. Smith.....	Assistant to the President
Carleton F. Brown.....	Vice-President
Schuyler C. Stivers.....	Vice-President and Secretary
S. Eugene Miller.....	Vice-President
Warren L. Hoagland.....	Vice-President
Victor H. Davidson.....	Vice-President
James B. McCormick.....	Vice-President
Duncan K. Van Cleef.....	Comptroller and Asst. Treasurer
Elwyn L. Smith.....	Asst. Treasurer and Asst. Secretary
Mercer V. White, Jr.....	Assistant Comptroller
John M. Clare.....	Asst. Treasurer and Asst. Secretary
Nelson W. King.....	Assistant Treasurer
Edward J. Emeny.....	Asst. Treasurer and Asst. Secretary
Sara M. McDonald.....	Asst. Treasurer and Asst. Secretary

FINANCE COMMITTEE

Harry W. Davies, Chairman
Hurlbut W. Smith
Elwyn L. Smith
William A. Mackenzie

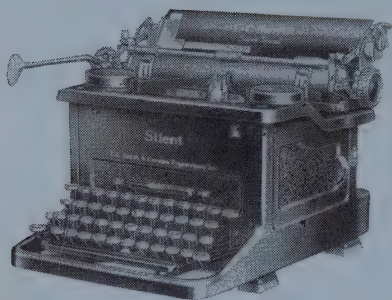
DIRECTORS

Carleton F. Brown	Hurlbut W. Smith
Harry W. Davies	Elwyn L. Smith
Theodore S. Kenyon	Harvey M. Smith
E. Clarence Miller	Lewis P. Smith
William A. Mackenzie	Wilbert A. Smith
S. Eugene Miller	Schuyler C. Stivers
William von Phul	Samuel G. H. Turner
William L. Seeley	Louis P. Smith

Basil B. Aylesworth

PRINTED
IN
U.S.A.

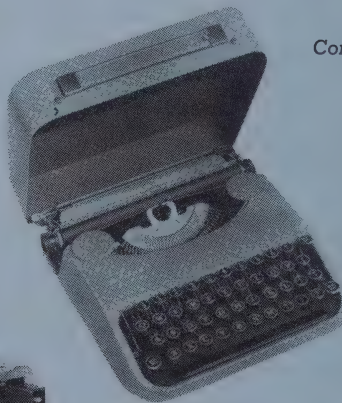
SMITH-CORONA *Products*



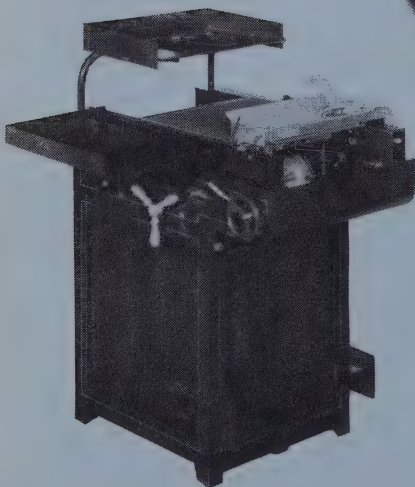
Super-Speed L C Smith



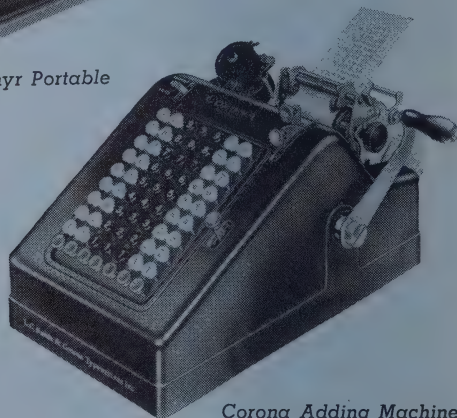
Corona Speedline Portable



Corona Zephyr Portable



Vivid Duplicating Machine



Corona Adding Machine

RIBBONS, CARBON PAPERS AND SUPPLIES

338.7
Sm 615
1937/38

ANNUAL REPORT
FOR
THE YEAR ENDED
JUNE 30, 1938



THE LIBRARY OF THE
JUL 20 1951
UNIVERSITY OF ILLINOIS

L C SMITH & CORONA
TYPEWRITERS INC
SYRACUSE, N. Y.



L C SMITH & CORONA TYPEWRITERS INC

SYRACUSE NEW YORK

HURLBUT W SMITH
PRESIDENT

September 8, 1938.

To the Stockholders:

Herein is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its Subsidiaries as of June 30, 1938, together with a Consolidated Statement of Operations, Earned Surplus and Capital Surplus as of that date.

Operations for the year ended June 30, 1938 resulted in a net income of \$473,211.00 after provision for Federal income and undistributed profits taxes. The decrease in net income as compared with the year ended June 30, 1937 is due to general business conditions, and the policy of your company to maintain a balanced inventory. We believe that in view of these factors the result thus obtained can be considered as favorable.

The New York State unemployment tax and the Federal unemployment and old age benefit taxes for the year ended June 30, 1938 amounted to \$145,209.97 as compared with \$94,006.38 for the previous year.

After the dividends on preferred stock amounting to \$78,138.00, which includes the July 1, 1938 quarterly dividend, the remaining net income was equivalent to approximately \$1.43 on 276,237 shares of common stock outstanding at June 30, 1938, as compared with \$3.90 earned in the previous year on 241,217 shares of common stock outstanding at June 30, 1937. During the year 7,004 shares of preferred stock were converted into common capital stock.

The unrealized profit on foreign exchange has not been taken into operations and is shown as a reserve on the balance sheet.

The current position at the close of three years ended June 30, 1938 is set forth as follows:

	Current Assets	Current Liabilities	Net Current Assets	Ratio
June 30, 1938.....	\$6,786,835	\$1,687,852	\$5,098,983	4.02 to 1
June 30, 1937.....	7,029,985	1,721,586	5,308,399	4.08 to 1
June 30, 1936.....	5,454,550	905,905	4,548,645	6.02 to 1

On June 1, 1938 there was introduced to the public a new line of Corona portables, known as the "Corona Speedline". On August 18, 1938 a new portable typewriter called the "Corona Zephyr" was added to the line. Taking into consideration weight, size and completeness this typewriter has no equal at its price. If the number of orders received to date for these new portables is indicative of what we may expect during the current fiscal period, they will be a material factor in increasing the net income for that period.

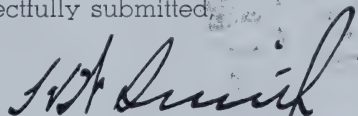
We present the following Consolidated Statement of Operations for the years ended June 30, 1938 and June 30, 1937:

CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1938 AND 1937

	1938	1937
Sales	\$11,914,195.84	\$13,089,135.17
Cost of Sales.....	5,847,982.11	6,055,383.22
Gross Profit on Sales.....	6,066,213.73	7,033,751.95
Selling, General and Administrative Expenses	5,183,033.80	5,287,658.75
Net Profit from Operations, before Depreciation	883,179.93	1,746,093.20
Provision for Depreciation, Depletion and Amortization.....	159,705.75	192,314.50
Net Profit from Operations.....	723,474.18	1,553,778.70
Other Income	86,659.04	80,396.19
	<u>810,133.22</u>	<u>1,634,174.89</u>
Other Deductions		
Interest on Funded Debt.....	\$ 58,187.50	\$ 61,355.70
Other Interest	20,006.32	4,341.05
Provision for Doubtful Accounts		
Less Recoveries	25,066.40	16,166.07
Royalties	42,076.87	43,682.86
Amortization of Bond Issue Expense.....	18,417.05	20,844.90
Development Expenses.....		30,828.07
Miscellaneous	26,933.98	28,807.56
	<u>190,688.12</u>	<u>206,026.21</u>
Net Income before Provision for Income Taxes	619,445.10	1,428,148.68
Federal Income Taxes		
Normal and Excess Profits Tax.....	114,440.62	218,562.42
Undistributed Profits Tax.....	27,287.06	110,553.86
Canadian Income Taxes.....	4,506.42	2,735.26
Total Taxes	146,234.10	331,851.54
NET INCOME	<u>\$ 473,211.00</u>	<u>\$ 1,096,297.14</u>

I would like to take this opportunity to acknowledge the cooperation and efficiency of our employees and executives, and to express my appreciation for their efforts during the past year.

Respectfully submitted,



President.

L C SMITH & CORONA TYPEWRITER

CONSOLIDATED BALANCE SHEET

ASSETS

Cash in Banks and on Hand.....	\$ 360,125.61
Cash in Special Account for the Payment of Dividends.....	360.13
Accounts and Notes Receivable—Trade.....	\$2,637,884.01
Less Reserve for Uncollectible.....	170,902.55
	2,466,981.46
Accounts Receivable—Other.....	59,674.27
Inventories (At Lower of Cost or Market and After Provision for Obsolescence).....	3,899,693.89

Total Current Assets.....	\$6,786,835.36
Cash, Receivables and Inventories, Less Payables, Foreign Subsidiary, Under Restriction as to Convertibility Into United States Funds.....	99,357.26
Cash Not Subject to Withdrawal (Less Reserves).....	556.02

Non Current Receivables and Investments

Accounts and Notes

Officers and Employees (Less Reserves).....	10,821.25
Others (Less Reserves).....	11,256.56
Mortgages Receivable.....	4,602.56
Investment in Real Estate (Less Depreciation).....	64,470.09
Sundry Investments.....	15,960.91
Prepaid Expenses and Deferred Charges.....	332,222.26
Plant and Equipment—At Cost.....	\$4,852,175.12
Less Reserve for Depreciation.....	3,251,164.80
	1,601,010.32
Goodwill, Patents, Trade Marks and Formulae.....	950,465.09
Patents Subject to Amortization.....	4,741.66
Cash Deposited With Trustees for Redemption of Corona Typewriter Company Preferred Stock.....	110.89

TOTAL ASSETS.....\$9,882,410.23

INC AND SUBSIDIARY COMPANIES

E SHEET—June 30, 1938

LIABILITIES

Notes Payable—Banks.....	\$	650,000.00
Accounts Payable—Trade.....		162,045.16

Accounts Payable—Other

Officers and Employees	\$	3,207.81
Miscellaneous		6,295.03

Dividends Payable		89,031.77
-------------------------	--	-----------

Bonded Indebtedness

L C Smith & Corona Typewriters Inc (New York) First Mortgage 6% Sinking Fund Gold Bonds Due November 1, 1939, Called May 1, 1936.....	609.00
---	--------

Less Funds Deposited With Trustee for Redemption	609.00
---	--------

L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures, Due July 1, 1938, Interest Rate 2%.....	175,000.00
---	------------

Less Funds Deposited With Trustee for Redemption	175,000.00
---	------------

Accrued Taxes and Other Expenses.....	613,265.87
---------------------------------------	------------

Coupon Book and Inspection Contract Liability.....	164,006.70
--	------------

Total Current Liabilities.....	1,687,852.34
--------------------------------	--------------

Ten Year Serial Debentures

Principal	Interest Rate	Maturity
\$ 175,000.00	3 %	July 1, 1939
175,000.00	3½	" 1, 1940
175,000.00	3½	" 1, 1941
175,000.00	4	" 1, 1942
175,000.00	4	" 1, 1943
175,000.00	4¼	" 1, 1944
175,000.00	4½	" 1, 1945
175,000.00	4½	" 1, 1946

\$1,400,000.00	1,400,000.00
----------------	--------------

Reserve for Redemption of Corona Typewriter Company Preferred Stock	100.00
---	--------

TOTAL LIABILITIES.....	\$3,087,952.34
------------------------	----------------

Deferred Income	589.23
-----------------------	--------

Reserve for Branch Office Fire Insurance.....	30,828.08
---	-----------

Reserve for Unrealized Profit on Foreign Exchange.....	75,089.20
--	-----------

Capital Stock

\$6 Cumulative Preferred, No Par—Authorized 30,000 Shares—Issued and Outstanding 13,023-11/11 Shares.....	955,093.34
---	------------

Common, No Par—Authorized 350,000 Shares—Issued and Outstanding 276,281 Shares—Less 44 Shares in Treasury.....	3,541,190.66	4,496,284.00
--	--------------	--------------

Capital Surplus.....	584,027.46
----------------------	------------

Earned Surplus Accumulated Since May 31, 1934.....	1,607,639.92
--	--------------

\$9,882,410.23

In addition to the liabilities shown above, the Company is obligated under a lease covering the entire eighteenth floor at 51 Madison Avenue, New York City, which premises are no longer used by the Company. The lease expires April 30, 1939.

**L C SMITH & CORONA TYPEWRITERS INC
AND SUBSIDIARY COMPANIES**

CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended June 30, 1938

Net Sales.....	\$11,914,195.84
Cost of Sales.....	5,847,982.11
	<hr/>
Gross Profit on Sales.....	6,066,213.73
Selling, General and Administrative Expense.....	5,183,033.80
	<hr/>
Net Profit from Operations, Before Depreciation....	883,179.93
Provisions for Depreciation, Depletion and Amortization....	159,705.75
	<hr/>
NET PROFIT FROM OPERATIONS.....	\$ 723,474.18
Other Income.....	86,659.04
	<hr/>
	810,133.22

Other Deductions

Interest on Funded Debt.....	\$ 58,187.50
Other Interest.....	20,006.32
Provision for Doubtful Accounts, Less	
Recoveries	25,066.40
Royalties	42,076.87
Amortization of Bond Issue Expense.....	18,417.05
Miscellaneous	26,933.98
	<hr/>
	190,688.12

NET INCOME, Before Provision for Income Taxes...\$ 619,445.10

Federal Income Taxes

Normal and Excess Profits Taxes.....	\$114,440.62
Undistributed Profits Taxes.....	27,287.06
Canadian Income Taxes.....	4,506.42
	<hr/>
	146,234.10

NET INCOME TRANSFERRED TO SURPLUS,

Year Ended June 30, 1938.....\$ 473,211.00

NOTE

Sales include service sales and rentals of typewriters and other equipment, the costs of which are included in Selling, General and Administrative Expenses. All taxes, except Federal and Canadian Income Taxes, are included in Cost of Sales and Selling, General and Administrative Expenses.

**L C SMITH & CORONA TYPEWRITERS INC
AND SUBSIDIARY COMPANIES**

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Year Ended June 30, 1938

Earned Surplus, July 1, 1937.....\$1,575,125.12

Deduct

Provision for Additional Federal and State

Taxes for 1934, 1935, 1936 and 1937 and

Interest Thereon to June 30, 1937.....\$ 54,175.36

Dividends 423,423.25

477,598.61

1,097,526.51

Add

Recovery of Duty Covering Period Prior to July 1, 1937..... 36,902.41

Net Income, Year Ended June 30, 1938..... 473,211.00

EARNED SURPLUS, June 30, 1938.....\$1,607,639.92

**L C SMITH & CORONA TYPEWRITERS INC
AND SUBSIDIARY COMPANIES**

STATEMENT OF CONSOLIDATED CAPITAL SURPLUS

Year Ended June 30, 1938

Capital Surplus, July 1, 1937.....**\$585,099.38**

Deduct

Amortization of Patents Covering Corona Typewriter..... 1,071.92

BALANCE, June 30, 1938.....**\$584,027.46**

HURDMAN AND CRANSTOUN

PUBLIC ACCOUNTANTS
350 MADISON AVENUE
NEW YORK CITY

L C Smith & Corona Typewriters Inc
Syracuse, New York

We have made an examination of the balance sheet of L C Smith & Corona Typewriters Inc and certain of its subsidiaries as at June 30, 1938, and of the consolidated statements of operations and of earned surplus for the year ended June 30, 1938. In connection therewith we examined or tested accounting records and other supporting evidence of the Company and its United States and Canadian subsidiaries and obtained information and explanations from officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Physical inventories were taken as of June 30, 1938. The quantities represented by the inventory values shown on the statements are in agreement with the books. The inventories were checked by us through comprehensive tests. The Company has no important contingent liabilities.

The accounts of the Canadian subsidiary were examined under our direction and supervision with the assistance of Canadian auditors.

In our opinion, based upon such examination and relying on the statements of other auditors in respect to the British and German subsidiaries, the accompanying balance sheet and related statements of operations and earned surplus fairly present, in accordance with accepted principles of accounting consistently maintained by the Company during the year under review, its position at June 30, 1938, and the results of operations for the year ended at that date.

HURDMAN & CRANSTOUN.

September 2, 1938

L C SMITH & CORONA TYPEWRITERS INC

OFFICERS

Hurlbut W. Smith.....	Chairman of the Board
Hurlbut W. Smith.....	Chairman of the Executive Committee
Hurlbut W. Smith.....	President and Treasurer
Elwyn L. Smith.....	Assistant to the President
Carleton F. Brown.....	Vice-President
Schuyler C. Stivers.....	Vice-President and Secretary
Harry W. Davies.....	Vice-President and Comptroller
Warren L. Hoagland.....	Vice-President
Victor H. Davidson.....	Vice-President
James B. McCormick.....	Vice-President
Duncan K. Van Cleef.....	Assistant Comptroller
Elwyn L. Smith.....	Asst. Treasurer and Asst. Secretary
John M. Clare.....	Asst. Treasurer and Asst. Secretary
Nelson W. King.....	Assistant Treasurer

DIRECTORS

Carleton F. Brown	Hurlbut W. Smith
Harry W. Davies	Elwyn L. Smith
Theodore S. Kenyon	Harvey M. Smith
E. Clarence Miller	Lewis P. Smith
William A. Mackenzie	Wilbert A. Smith
S. Eugene Miller	Schuyler C. Stivers
William von Phul	Samuel G. H. Turner
William L. Seeley	Louis P. Smith
Basil B. Aylesworth	

SMITH-CORONA *Products*



Super-Speed L C Smith



Corona Speedline Portable



Corona Zephyr Portable



Vivid Duplicating Machine

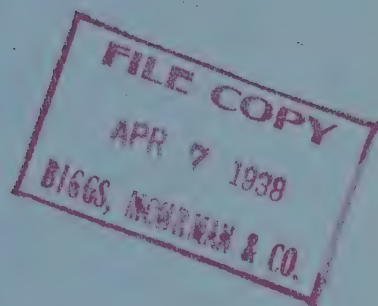


Corona Adding Machine

RIBBONS, CARBON PAPERS AND SUPPLIES

338.7
Sm615
1936/37

ANNUAL REPORT
FOR
THE YEAR ENDED
JUNE 30, 1937



THE LIBRARY OF THE
JUL 20 1931

L C SMITH & CORONA
TYPEWRITERS INC
SYRACUSE, N. Y.



336.7
5m615
1936/37

L C SMITH & CORONA TYPEWRITERS INC

SYRACUSE NEW YORK

HURLBUT W SMITH
PRESIDENT

September 7, 1937.

To the Stockholders:

Herein is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its Subsidiaries as of June 30, 1937, together with a Consolidated Statement of Operations and Earned Surplus as of that date.

Operations for the year ended June 30, 1937 resulted in a net income of \$1,096,297.14 after provision for Federal income and undistributed profits taxes. This when compared with the net profit of \$709,279.17 for the previous year shows a substantial increase in profitable operations. The Federal income and undistributed profits taxes for the year ended June 30, 1937 amount to \$331,851.54 as compared with \$187,629.20 for the previous year, or an increase of \$144,222.34. The New York State unemployment tax and the Federal old age benefit tax for the year ended June 30, 1937 amount to \$94,006.38, as compared with \$15,308.20 for the previous year.

After the dividends on preferred stock amounting to \$153,777.00, which includes the July 1 quarterly dividend, the remaining net income is equivalent to approximately \$3.90 on 241,217 shares of common stock outstanding at June 30, 1937, as compared with \$3.25 earned in the previous year on 165,442 shares of common stock outstanding at June 30, 1936. During the year 9,155 shares of preferred stock were converted into common stock, and 30,000 shares of common stock which had been under option to the Committee for the Selected Executives Fund for the past three years were issued to said Committee for the benefit of Company employees.

The unrealized profit on foreign exchange has not been taken into operations, and is shown as a reserve on the balance sheet.

The current position at the close of three years ended June 30, 1937 is set forth as follows:

	Current Assets	Current Liabilities	Net Current Assets	Ratio
June 30, 1937.....	\$7,029,985	\$1,721,586	\$5,308,399	4.08 to 1
June 30, 1936.....	5,454,550	905,905	4,548,645	6.02 to 1
June 30, 1935.....	4,501,873	1,196,811	3,305,062	3.76 to 1

During the period under review your Company introduced to the public the new Standard and Silent L C Smith typewriters known as the Super-Speed Models. The public response to these models has been very gratifying, and has necessitated the enlargement of the plant facilities to the extent of approximately 18,000 square feet. This additional space will make possible an increase in the number of units produced daily, and we believe will also result in greater efficiency in our production program, which should reduce the unit cost per machine.

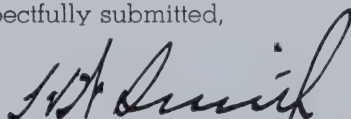
We present the following Consolidated Statement of Operations for the years ended June 30, 1937 and June 30, 1936:

CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1937 AND 1936

	1937	1936
Sales	\$13,089,135.17	\$10,336,002.58
Cost of Sales.....	6,055,383.22	4,597,210.31
Gross Profit on Sales.....	7,033,751.95	5,738,792.27
Selling, General and Administrative Expenses	5,287,658.75	4,531,916.77
Net Profit from Operations, before Depreciation.....	1,746,093.20	1,206,875.50
Provision for Depreciation, Depletion and Amortization.....	192,314.50	206,778.23
Net Profit from Operations.....	1,553,778.70	1,000,097.27
Other Income.....	80,396.19	59,411.71
	1,634,174.89	1,059,508.98
Other Deductions		
Interest on Funded Debt.....	\$ 61,355.70	\$ 52,526.79
Other Interest.....	4,341.05	31,605.45
Provision for Doubtful Accounts Less Recoveries.....	16,166.07	16,499.93
Royalties	43,682.86	24,704.93
Amortization of Bond Issue Expense.....	20,844.90
Development Expenses.....	30,828.07
Miscellaneous	28,807.56	37,263.51
	206,026.21	162,600.61
Net Income Before Provision for Income Taxes.....	1,428,148.68	896,908.37
Federal Income Taxes		
Normal and Excess Profits Tax.....	218,562.42	144,870.79
Undistributed Profits Tax.....	110,553.86	42,758.41
Canadian Income Taxes.....	2,735.26
Total Taxes.....	331,851.54	187,629.20
NET INCOME.....	\$ 1,096,297.14	\$ 709,279.17

The improvement in operations for the current year bespeaks the loyal cooperation of all the Company employees, which I gratefully acknowledge.

Respectfully submitted,



President.

L C SMITH & CORONA TYPEWRITER
CONSOLIDATED STATEMENT OF ASSETS

ASSETS

Cash in Banks and on Hand.....	\$ 582,916.39
Cash in Special Account for the Payment of Dividends.....	257.02
Accounts and Notes Receivable—Trade.....	\$2,676,763.85
Less Reserve for Uncollectible.....	182,041.66
	<hr/> 2,494,722.19
Accounts Receivable—Other.....	41,989.82
Inventories (At Lower of Cost or Market and After Provision for Obsolescence).....	3,910,100.51
	<hr/>
Total Current Assets.....	\$ 7,029,985.93
Cash, Receivables and Inventories, Less Payables, Foreign Subsidiary, Under Restriction as to Convertibility Into United States Funds.....	97,223.08
Cash Not Subject to Withdrawal (Less Reserves).....	1,713.12

Non Current Receivables and Investments

Accounts and Notes

Officers and Employees (Less Reserves)....	\$ 10,783.36
Others (Less Reserves).....	9,012.45
United States Treasury Bonds (Par \$15,000) (At Cost).....	15,121.88*
Mortgages Receivable.....	4,708.46
Investment in Real Estate (Less Depreciation).....	72,522.11
Sundry Investments.....	8,401.95
	<hr/> 120,550.21
Prepaid Expenses and Deferred Charges.....	352,244.68
Plant and Equipment.....	4,679,981.72
Less Reserves.....	3,188,314.44
	<hr/> 1,491,667.28
Goodwill, Patents, Trade Marks and Formulae.....	950,555.09
Patents—Subject to Amortization.....	6,648.63
Cash Deposited with Trustees for Redemption of Corona Typewriter Company Preferred Stock.....	110.89

TOTAL ASSETS.....\$10,050,698.91

*Deposited with Department of Labor, State of New York, as security for claims arising under Workmen's Compensation Act.

INC AND SUBSIDIARY COMPANIES

ASSETS AND LIABILITIES, JUNE 30, 1937

LIABILITIES

Notes Payable—Banks.....	\$	300,000.00
Accounts Payable—Trade.....		341,958.86

Accounts Payable—Other

Officers and Employes.....	\$	2,873.05
Miscellaneous		6,335.81
		<u>9,208.86</u>
Dividends Payable.....		150,989.19

Bonded Indebtedness

L C Smith & Corona Typewriters Inc (New York) First Mortgage 6% Sinking Fund Gold Bonds Due November 1, 1939, Called May 1, 1936.....	609.00
Less Funds Deposited With Trustee for Redemption	<u>609.00</u>

L C Smith & Corona Typewriters Inc (New York) Ten Year Serial Debentures, Due July 1, 1937.....	175,000.00
Less Funds Deposited With Trustee for Redemption	<u>175,000.00</u>

Accrued Taxes and Other Expenses.....	763,669.73
Coupon Book and Inspection Contract Liability.....	<u>155,760.14</u>

Total Current Liabilities.....	1,721,586.78
Ten Year Serial Debentures, Due July 1, 1938 to 1946.....	1,575,000.00
Reserve for Redemption of Corona Typewriter Company Preferred Stock.....	<u>100.00</u>

TOTAL LIABILITIES.....	\$	3,296,686.78
Deferred Income.....		477.02
Reserve for Branch Office Fire Insurance.....		21,040.96
Reserve for Unrealized Profit on Foreign Exchange.....		<u>75,985.65</u>

Capital Stock

\$6 Cumulative Preferred, No Par—Authorized 30,000 Shares—Issued 20,020-13/11 (6-9/11 Shares Reserve for Exchange of 5 Shares of Old 7% Cumulative Preferred of \$100 Par Not Surrendered).....	1,468,720.00
Common, No Par—Authorized 350,000 Shares—Issued 241,261 Shares, Less 44 Shares in Treasury.....	<u>3,027,564.00</u>
	4,496,284.00
Capital Surplus.....	585,099.38
Earned Surplus Accumulated Since May 31, 1934.....	<u>1,575,125.12</u>

\$10,050,698.91

In addition to the liabilities shown above, the Company is obligated under a lease covering the entire eighteenth floor at 51 Madison Avenue, New York City, which premises are no longer used by the Company.

**L C SMITH & CORONA TYPEWRITERS INC
AND SUBSIDIARY COMPANIES**

CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended June 30, 1937

Net Sales	\$13,089,135.17
Cost of Sales	6,055,383.22
Gross Profit on Sales.....	7,033,751.95
Selling, General and Administrative Expenses.....	5,287,658.75
Net Profit from Operations, Before Depreciation.....	1,746,093.20
Provision for Depreciation, Depletion and Amortization....	192,314.50
NET PROFIT FROM OPERATIONS.....	\$ 1,553,778.70
Other Income	80,396.19
	1,634,174.89

Other Deductions

Interest on Funded Debt.....	\$ 61,355.70
Other Interest	4,341.05
Provision for Doubtful Accounts	16,166.07
Royalties	43,682.86
Amortization of Bond Issue Expense	20,844.90
Development Expenses	30,828.07
Miscellaneous	28,807.56
	206,026.21

NET INCOME, Before Provision for

Income Taxes\$ 1,428,148.68

Federal Income Taxes

Normal and Excess Profits Taxes	\$218,562.42
Undistributed Profits Taxes	110,553.86
Canadian Income Taxes	2,735.26
	331,851.54

NET INCOME TRANSFERRED TO SURPLUS,

Year Ended June 30, 1937.....\$ 1,096,297.14

NOTE

Sales include service sales and rentals of typewriters and other equipment, the costs of which are included in Selling, General and Administrative Expenses. All taxes, except Federal and Canadian Income Taxes, are included in Cost of Sales and Selling, General and Administrative Expenses.

**L C SMITH & CORONA TYPEWRITERS INC
AND SUBSIDIARY COMPANIES**

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Year Ended June 30, 1937

Earned Surplus, July 1, 1936.....\$1,005,162.14

Deduct

Adjustment Resulting from Dissolution of Port- able Adding Machine Company.....	\$ 4,761.89	
Dividends	514,909.62	
Premium on Bonds Redeemed	300.00	
Additional Assessment of Income Taxes for 1934 and 1935.....	6,362.65	
		526,334.16

478,827.98

Net Income, Year Ended June 30, 1937..... 1,096,297.14

EARNED SURPLUS, June 30, 1937.....\$1,575,125.12

**L C SMITH & CORONA TYPEWRITERS INC
AND SUBSIDIARY COMPANIES**

STATEMENT OF CONSOLIDATED CAPITAL SURPLUS

Year Ended June 30, 1937

Capital Surplus, July 1, 1936	\$631,878.84
--------------------------------------	---------------------

Deduct

Amount Charged Off on Account of Intangible

Assets of Portable Adding Machine Company

Now Dissolved\$44,773.02*

Amortization of Patents Covering Corona

Typewriter 2,006.44

46,779.46

BALANCE, June 30, 1937	\$585,099.38
------------------------------	--------------

*Offsetting amounts previously credited to Consolidated Capital Surplus representing cancellation of minority stockholders' interest.

HURDMAN AND CRANSTOUN

PUBLIC ACCOUNTANTS
350 MADISON AVENUE
NEW YORK CITY

L C Smith & Corona Typewriters Inc
Syracuse, New York

We have made an examination of the balance sheet of L C Smith & Corona Typewriters Inc and certain of its subsidiaries as at June 30, 1937, and of the consolidated statements of operations and of earned surplus for the year ended June 30, 1937. In connection therewith we examined or tested accounting records and other supporting evidence of the Company and its United States and Canadian subsidiaries and obtained information and explanations from officers and employees; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Physical inventories were taken as of June 30, 1937. The quantities represented by the inventory values shown on the statements are in agreement with the books. The inventories were checked by us through comprehensive tests. The Company has no important contingent liabilities.

The accounts of the Canadian subsidiary were examined under our direction and supervision with the assistance of Canadian auditors.

Accepting the statements of other auditors in respect to the British and German subsidiaries and subject to the foregoing reservations, in our opinion, the accompanying balance sheet and related statements of operations and earned surplus fairly present, in accordance with accepted principles of accounting consistently maintained by the Company during the year under review, its position at June 30, 1937, and the results of operations for the year ended at that date.

HURDMAN & CRANSTOUN.

September 2, 1937.

L C SMITH & CORONA TYPEWRITERS INC

OFFICERS

Wilbert L. Smith*	Chairman of the Board
Hurlbut W. Smith	Chairman of the Executive Committee
Hurlbut W. Smith	President and Treasurer
Elwyn L. Smith	Assistant to the President
Carleton F. Brown	Vice-President
Schuyler C. Stivers	Vice-President and Secretary
Harry W. Davies	Vice-President and Comptroller
Warren L. Hoagland	Vice-President
Victor H. Davidson	Vice-President
James B. McCormick	Vice-President
Duncan K. Van Cleef	Assistant Comptroller
Elwyn L. Smith	Asst. Treasurer and Asst. Secretary
John M. Clare	Asst. Treasurer and Asst. Secretary
Nelson W. King	Assistant Treasurer

DIRECTORS

Carleton F. Brown	*Wilbert L. Smith
Harry W. Davies	Hurlbut W. Smith
Theodore S. Kenyon	Elwyn L. Smith
E. Clarence Miller	Harvey M. Smith
William A. Mackenzie	Lewis P. Smith
S. Eugene Miller	Wilbert A. Smith
William von Phul	Schuyler C. Stivers
William L. Seeley	Samuel G. H. Turner
	Louis P. Smith

*We regret the loss of Wilbert L. Smith, Chairman of our Board, who has passed away since the close of the fiscal year.

**L C Smith
Typewriters**

**Corona
Typewriters**

RIBBONS

CARBONS

VIVID PAPER

AND SUPPLIES

**Corona
Adding
Machines**

**Vivid
Duplicating
Machines**



Sum 615
1935/36

ANNUAL REPORT
FOR
THE YEAR ENDED
JUNE 30, 1936



THE LIBRARY OF THE
JUL 20 1951
UNIVERSITY OF MICHIGAN

L C SMITH & CORONA
TYPEWRITERS INC
SYRACUSE N Y

L C SMITH & CORONA TYPEWRITERS INC

SYRACUSE NEW YORK

HURLBUT W SMITH
PRESIDENT

September 28, 1936.

To the Stockholders:

Herein is submitted a Consolidated Balance Sheet of L C Smith & Corona Typewriters Inc (New York) and its Subsidiaries as of June 30, 1936, together with a Consolidated Statement of Operations and Earned Surplus as of that date.

Operations for the year ended June 30, 1936 resulted in a net income of \$709,279.17, after provision for Federal Income Taxes, which provision includes the tax on undistributed income as of that date, although the Company's tax returns are filed on a calendar year basis. This net income compares favorably with that of \$428,644.60 for the previous fiscal year.

After the payment on the preferred stock including the July 1, 1936 quarterly dividend, the remaining net income is equivalent to approximately \$3.25 on each outstanding share of common stock, as compared with \$1.70 earned on the same stock in the previous year.

The unrealized profit on foreign exchange has not been taken into operations, and is shown as a reserve on the Balance Sheet.

During the period under review the Company's First Mortgage 6% Gold Bonds due November 1939 were paid May 1, 1936 by the procurement of funds in the nature of a bank loan.

Later in the period the Company negotiated the sale of \$1,750,000 ten-year serial debentures, the proceeds of which were received July 6, 1936, and the effect of which is not reflected in the accompanying statements. However, the net proceeds were applied to the total reduction of the Company's bank loans of \$1,600,000, and the deposit of funds sufficient to redeem the First Mortgage 7% Serial Bonds of a Subsidiary Company in the amount of \$30,000. The balance remaining after the payment of the expenses in connection with the same was added to

working capital. The new ten-year serial debentures are the only funded debt of the Company.

If effect were given to the reduction of current liabilities by the amount of the proceeds of the debenture issue, the consolidated current position as at June 30, 1936, as compared with June 30, 1935, and June 30, 1934, would be as set forth below (cents omitted):

	Current Assets	Current Liabilities	Net Current Assets	Ratio
June 30, 1936.....	\$5,454,550	\$ 905,905	\$4,548,645	6.02 to 1
June 30, 1935.....	4,501,873	1,196,811	3,305,062	3.76 to 1
June 30, 1934.....	3,736,742	966,884	2,769,858	3.86 to 1

In connection with the refinancing plan several book adjustments were made in the Company's accounts, which are explained as follows:

Property, plant and equipment was written down in the amount of \$247,013.53, representing the net amount of appreciation remaining in the above accounts.

Good will, patents, trade marks and formulae have been written down in the amount of \$2,739,108.51 by a charge to capital surplus. The result of such write-down was to leave a balance of \$1,000,000 in these items, exclusive of an amount of \$9,790.15 which is being amortized over the life of the patents.

In the 1934 report attention was called to the reduction in the stated value of the common stock to \$12 a share, this action being taken as of May 31, 1934. By action of the Board of Directors during the past year the consolidated earned surplus as of May 31, 1934 was transferred to capital surplus, thus leaving the present consolidated earned surplus at an amount equal to the undistributed consolidated net earnings accumulated from May 31, 1934, to June 30, 1936.

By amendment to the Certificate of Incorporation filed December 10, 1935, the 7% cumulative preferred stock then outstanding, consisting of 22,000 shares of the par value of \$100 each was changed into new \$6 preferred stock consisting of 30,000 shares without par value (convertible into common stock at the rate of five shares for one until January 1, 1938, and thereafter at the rate of four for one until January 1, 1941), on the basis of one and four-elevenths shares of new stock for one share of such old stock. There are no accumulated past due dividends on the preferred stock.

We present the following Consolidated Statement of Operations for the years ended June 30, 1935, and 1936:


CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1936 AND 1935

	1936	1935
Net Profit from Operations, before Depreciation	\$1,217,981.77	\$867,920.82
Provision for Depreciation.....	204,325.50	207,585.29
	<hr/>	<hr/>
Net Profit from Operations.....	1,013,656.27	660,335.53
Other Income.....	42,044.22	24,451.83
	<hr/>	<hr/>
	1,055,700.49	684,787.36
Other Deductions	<hr/>	<hr/>
Interest on Funded Debt.....	\$ 52,526.79	\$ 65,650.50
Other Interest.....	31,605.45	32,036.49
Provision for Doubtful Accts. Less Recoveries	16,499.93	33,859.11
Royalties	24,204.93	19,550.56
Discounts Allowed.....	13,885.90	13,911.87
Loss on Retirement of Fixed Assets.....	4,591.20
Miscellaneous	15,477.92	14,659.47
	<hr/>	<hr/>
	158,792.12	179,668.00
Net income before Provision for Federal Income Taxes	896,908.37	505,119.36
Provision for Federal Income Taxes.....	187,629.20	76,474.76
	<hr/>	<hr/>
NET INCOME	\$ 709,279.17	\$428,644.60

Your Company has diligently continued its research in the development of its products, which are well known for their high standard. These products, backed by our competent Home Office and field organizations, make certain even greater achievements during the coming year.

Throughout the past year the Corporation and its Subsidiaries have had the loyal cooperation of their employees, who have discharged their respective tasks with efficiency and fidelity.

Respectfully submitted,


President.

L C SMITH & CORONA TYPEWRITERS INC
CONSOLIDATED STATEMENT OF A

ASSETS

Cash in Banks and on Hand.....	\$ 553,281.51
Cash in Special Account for the Payment of Dividends.....	10,122.00
Accounts and Notes Receivable—Trade.....	\$2,305,620.26
Less Reserve for Uncollectible.....	179,237.10
	2,126,383.16
Accounts Receivable—Other.....	38,941.32
Inventories (At Lower of Cost or Market and After Provision for Obsolescence and Overstock).....	2,725,822.27
	<hr/>
Total Current Assets.....	\$5,454,550.26
Cash, Receivables and Inventories, Less Payables, Foreign Subsidiary, Under Restriction as to Convertibility Into United States Funds.....	98,899.89
Cash Not Subject to Withdrawal (Less Reserves).....	2,092.83
Non Current Receivables and Investments	
Accounts and Notes	
Officers and Employes (Less Reserves)....	\$ 10,040.53
Others (Less Reserves).....	6,249.00
United States Treasury Bonds (Par \$15,000) (AT Cost).....	15,121.88*
Mortgages Receivable	5,517.37
Investment in Real Estate (Less Depreciation)	83,782.41
Sundry Investments (Less Reserve).....	8,341.43
	<hr/>
	129,052.62
Prepaid Expenses and Deferred Charges.....	311,674.36
Plant and Equipment.....	4,482,272.54
Less Reserves.....	3,011,307.69
	<hr/>
	1,470,964.85
Goodwill, Patents, Trade Marks and Formulae.....	1,000,000.00
Patents—Subject to Amortization.....	9,790.15
Cash Deposited with Trustees for Redemption of Corona Typewriter Company Preferred Stock.....	110.89
	<hr/>
TOTAL ASSETS	<u><u>\$8,477,135.85</u></u>

*Deposited with Department of Labor, State of New York, as security for claims arising under Workmen's Compensation Act.

NEW YORK) AND SUBSIDIARY COMPANIES

SETS AND LIABILITIES, JUNE 30, 1936

LIABILITIES

Notes Payable—Banks	\$1,600,000.00
Accounts Payable—Trade	200,310.92
Accounts Payable—Other	
Officers and Employes	\$ 1,503.08
Special Expenses in Connection with	
Debenture Issue	54,714.28
Miscellaneous	4,025.44
60,242.80	
Part Dividends Payable on New Preferred Stock Reserved	
for Exchange	10,122.00
Dividends Payable on Preferred Stock July 1, 1936	43,770.00
Bonded Indebtedness	
L C Smith & Corona Typewriters Inc (New	
York) First Mortgage 6% Sinking Fund	
Gold Bonds Due November 1, 1939, Called	
May 1, 1936	24,969.00
Less Funds Deposited with Trustee for	
Redemption	24,969.00
The Miller-Bryant-Pierce Company First	
Mortgage 7% Bonds Due Serially April 1,	
1937 and 1938, Called for Redemption	
October 1, 1936, at 101	30,000.00
Accrued Taxes and Other Expenses	523,332.32
Coupon Book and Inspection Contract Liability	136,379.99
Total Current Liabilities	2,604,158.03
Mortgages Payable	4,030.27
Reserve for Redemption of Corona Typewriter Company	
Preferred Stock	100.00
TOTAL LIABILITIES	\$2,608,288.30
Reserve for Branch Office Fire Insurance	12,926.36
Reserve for Unrealized Profit on Foreign Exchange	82,596.21
Capital Stock	
\$6 Cumulative Preferred, No Par—Author-	
ized 30,000 Shares—Issued 25,806 22/11	
Shares (3,375 Shares Reserved for Ex-	
change of 2,475 Shares of Old 7% Cumu-	
lative Preferred of \$100 Par Not Yet	
Surrendered)	2,140,086.66
Common, No Par—Authorized 350,000	
Shares—Issued 165,486 Shares, Less 44	
Shares in Treasury	1,996,197.34
4,136,284.00	
Capital Surplus	631,878.84
Earned Surplus Accumulated Since May 31, 1934	1,005,162.14
\$8,477,135.85	

In addition to the liabilities shown above, the Company is obligated under a lease covering the entire eighteenth floor at 51 Madison Avenue, New York City, which premises are no longer used by the Company.

**L C SMITH & CORONA TYPEWRITERS INC (NEW YORK)
AND SUBSIDIARY COMPANIES**

CONSOLIDATED STATEMENT OF OPERATIONS

Year Ended June 30, 1936

Net Profit from Operations, Before Depreciation.....	\$1,217,981.77
Provision for Depreciation.....	204,325.50

NET PROFIT FROM OPERATIONS.....	\$1,013,656.27
Other Income.....	42,044.22
	<u>1,055,700.49</u>

Other Deductions

Interest on Funded Debt.....	\$52,526.79
Other Interest.....	31,605.45
Provision for Doubtful Accounts, Less	
Recoveries	16,499.93
Royalties	24,204.93
Discounts Allowed.....	13,885.90
Miscellaneous	20,069.12
	<u>158,792.12</u>

NET INCOME, Before Provision for Federal Income	
Taxes	\$ 896,908.37
Provision for Federal Income Taxes.....	<u>187,629.20</u>

NET INCOME TRANSFERRED TO SURPLUS,	
Year Ended June 30, 1936.....	<u>\$ 709,279.17</u>

**L C SMITH & CORONA TYPEWRITERS INC (NEW YORK)
AND SUBSIDIARY COMPANIES**

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Year Ended June 30, 1936

Earned Surplus, July 1, 1935.....	\$ 919,970.89
Addition—Collection of Claim in Respect to Defalcation of Prior Years.....	51,370.89
	971,341.78

Deductions

Dividends	\$172,256.50
Premium on Bonds Redeemed.....	15,406.38
Earned Surplus to May 31, 1934 Transferred to Capital Surplus.....	156,905.68
Undistributed Surplus Earnings of Subsidi- aries from Acquisition Date to May 31, 1934 Transferred to Capital Surplus.....	325,070.52
Net Income of Portable Adding Machine Com- pany from July 1, 1935 to February 29, 1936 Transferred to Capital Surplus.....	5,819.73
	675,458.81
	295,882.97
Net Income, Year Ended June 30, 1936.....	709,279.17
	EARNED SURPLUS, June 30, 1936.....
	\$1,005,162.14

HURDMAN AND CRANSTOUN

PUBLIC ACCOUNTANTS
350 MADISON AVENUE
NEW YORK CITY

L C Smith & Corona Tyewriters Inc
Syracuse, New York

We have made an examination of the balance sheet of L C Smith & Corona Typewriters Inc and certain of its subsidiaries as at June 30, 1936, and of the consolidated statements of operations and of earned surplus for the year ended June 30, 1936. In connection therewith we examined or tested accounting records and other supporting evidence of the Company and its United States and Canadian subsidiaries and obtained information and explanations from officers and employes; we also made a general review of the accounting methods and of the operating and income accounts for the year, but we did not make a detailed audit of the transactions.

Physical inventories were taken as of June 30, 1936. The quantities represented by the inventory values shown on the statements are in agreement with the books. The inventories were checked by us through comprehensive tests. The Company has no important contingent liabilities.

The accounts of the Canadian subsidiary were examined under our direction and supervision with the assistance of Canadian auditors.

Accepting the statements of other auditors in respect to the British and German subsidiaries and subject to the foregoing reservations, in our opinion, the accompanying balance sheet and related statements of operations and earned surplus fairly present, in accordance with accepted principles of accounting consistently maintained by the Company during the year under review, its position at June 30, 1936, and the results of operations for the year ended at that date.

HURDMAN & CRANSTOUN.

September 14, 1936.

L C SMITH & CORONA TYPEWRITERS INC

OFFICERS

Wilbert L. Smith.....	Chairman of the Board
Hurlbut W. Smith.....	Chairman of the Executive Committee
Hurlbut W. Smith.....	President and Treasurer
Elwyn L. Smith.....	Assistant to the President
Carleton F. Brown.....	Vice-President
Schuyler C. Stivers.....	Vice-President and Secretary
Harry W. Davies.....	Vice-President and Comptroller
Warren L. Hoagland.....	Vice-President
Victor H. Davidson.....	Vice-President
James B. McCormick.....	Vice-President
Duncan K. Van Cleef.....	Assistant Comptroller
Elwyn L. Smith.....	Asst. Treasurer and Asst. Secretary
John M. Clare.....	Asst. Treasurer and Asst. Secretary
Nelson W. King.....	Assistant Treasurer

DIRECTORS

Carleton F. Brown	Wilbert L. Smith
Harry W. Davies	Hurlbut W. Smith
Theodore S. Kenyon	Elwyn L. Smith
E. Clarence Miller	Harvey M. Smith
William A. Mackenzie	Lewis P. Smith
S. Eugene Miller	Wilbert A. Smith
William von Phul	Schuyler C. Stivers
William L. Seeley	Samuel G. H. Turner

Louis P. Smith

L C Smith
Typewriters

Corona
Typewriters

RIBBONS

CARBONS

VIVID PAPER

AND SUPPLIES



Corona
Adding
Machines

Vivid
Duplicating
Machines